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## A BILL FOR AN ACT

RELATING TO HEALTH.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that promoting the health  
2 of Hawaii residents is an essential role of state government.  
3 However many communities, particularly those in rural and  
4 underserved areas, face significant barriers to obtaining timely  
5 and quality health care. These barriers contribute to  
6 persistent health disparities among vulnerable populations,  
7 including Native Hawaiians, Pacific Islanders, low-income  
8 families, and individuals living in geographically isolated  
9 regions.

10           The legislature further finds that the department of health  
11 contracts with community-based organizations to deliver critical  
12 services such as mental health care, substance abuse, maternal-  
13 child health care, and developmental disabilities services on  
14 behalf of the State. By strengthening collaborations with  
15 service providers, the department of health can enhance program  
16 delivery and improve access to essential services, improve  
17 access to essential health care services, and effectively



1 address health disparities in vulnerable communities. Families  
2 in Hawaii depend on this network of community-based  
3 organizations as a health care safety net; however, contract  
4 rates have not increased in many years and fail to cover full  
5 program costs. Community-based organizations have attempted to  
6 fill the gap between funding levels and demand for services  
7 through their own fundraising efforts but are finding the  
8 growing gap insurmountable. If the gap between funding levels  
9 and demand for services is not mitigated by increased state  
10 funding, these organizations will have to decline contracts or  
11 reduce the number of services provided, despite the community  
12 need, and some organizations will be unable to sustain  
13 operations.

14 According to a 2022 survey of Hawaii community-based  
15 nonprofit organizations, ninety-one per cent had government  
16 contract budgets that fell below the full operating costs  
17 required to provide the contracted services. Of those, seventy-  
18 nine per cent always or often had to cut administrative costs.

19 Accordingly, the purpose of this Act is to provide  
20 increased funding for the department of health to collaborate



1 with community-based organizations to address the need for  
2 health care services in Hawaii.

3 SECTION 2. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2025-2026 and  
6 the same sum or so much thereof as may be necessary for fiscal  
7 year 2026-2027 for health care services contracted with  
8 community-based organizations.

9 The sums appropriated shall be expended by the department  
10 of health for the purposes of this Act.

11 SECTION 3. This Act shall take effect on July 1, 2025.

12

INTRODUCED BY:



JAN 21 2025



# H.B. NO. 942

**Report Title:**

DOH; Community-based Organizations; Contracted Services;  
Appropriation

**Description:**

Appropriates funds to the Department of Health for health care services contracted with community-based organizations.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

