
A BILL FOR AN ACT

RELATING TO THE EMERGENCY MEDICAL SERVICES SPECIAL FUND.

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

1 PART I

2 SECTION 1. The legislature finds that the emergency
3 medical services special fund is a critical mechanism for
4 supporting the delivery of timely, high-quality emergency
5 medical services across the State. These services are essential
6 to the health and safety of Hawaii's residents and visitors,
7 particularly given the State's geographic isolation, rural
8 communities, and reliance on coordinated emergency response
9 systems of care.

10 The legislature further finds that the current statutory
11 framework governing revenues deposited into the emergency
12 medical services special fund does not adequately reflect modern
13 emergency medical services operations, financing structures, or
14 reimbursement models. Emergency medical services agencies today
15 increasingly rely on billable revenue generated from the
16 provision of medically necessary emergency care to sustain



1 staffing, equipment, training, data systems, and system
2 readiness.

3 The legislature recognizes that the emergency medical
4 services system generates an annual cash deposit of
5 approximately \$30,000,000 from health insurance reimbursement
6 into the state general fund for services provided in the
7 counties of Hawaii, Kauai, and Maui. Aligning the emergency
8 medical services special fund with contemporary, billable
9 revenue-based funding mechanisms will promote fiscal
10 sustainability, transparency, and accountability, while ensuring
11 that funds generated through emergency medical services
12 activities are reinvested directly into the emergency medical
13 systems of care. Updating the revenue structure will strengthen
14 the State's ability to maintain consistent service levels,
15 address workforce challenges, and support continuous system
16 improvements.

17 Accordingly, the purpose of this Act is to modernize the
18 emergency medical services special fund by:

19 (1) Authorizing revenues derived from billable emergency
20 medical services to be deposited into the special
21 fund;



- 1 (2) Amending the composition and allowable uses of the
- 2 special fund;
- 3 (3) Establishing an annual cap on the expenditure from the
- 4 special fund; and
- 5 (4) Discontinuing the allocation of cigarette tax revenues
- 6 to the special fund, beginning January 1, 2027.

7 PART II

8 SECTION 2. Section 321-232, Hawaii Revised Statutes, is
9 amended by amending subsections (a) and (b) to read as follows:

10 "(a) The department shall establish reasonable fees for
11 services rendered to the public within the service area by the
12 department, any county within the service area, or private
13 agency under this part; provided that all revenues collected by
14 the department and the respective counties pursuant to this
15 section shall be deposited into the state general fund[7] and
16 the emergency medical services special fund, except amounts
17 necessary to provide for collection services for bad debt
18 accounts. Fees required to be set by this section shall be
19 established in accordance with chapter 91.

20 (b) No ambulance, community paramedicine, enhanced and
21 expanded emergency medical services, or any other emergency



1 medical services available from or under the authority of this
2 chapter shall be denied to any person on the basis of the
3 ability of the person to pay therefor or because of the lack of
4 prepaid health care coverage or proof of such ability or
5 coverage."

6 SECTION 3. Section 321-234, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§321-234 Emergency medical services special fund.** (a)

9 There is established within the state treasury a special fund to
10 be known as the emergency medical services special fund to be
11 administered and expended by the department.

12 (b) The moneys in the special fund shall be distributed as
13 follows:

14 (1) Beginning with fiscal year 2021-2022, \$3,500,000 shall
15 be distributed each fiscal year to a county operating
16 a county emergency medical services system pursuant to
17 part XI of chapter 46 for the operation of that
18 system; and

19 (2) The remainder shall be distributed to the department
20 for ~~operating~~ operating:



- 1 (A) Operating the system established pursuant to this
2 chapter, including enhanced and expanded
3 services, and shall not be used to supplant
4 funding for emergency medical services authorized
5 prior to July 1, 2004~~[]~~; and
- 6 (B) The purposes authorized by subsection (e).
- 7 (c) The special fund shall consist of:
- 8 (1) No less than fifty per cent of the emergency medical
9 services revenues collected for services provided
10 pursuant to section 321-232;
- 11 (2) Fees remitted pursuant to section 249-31~~[, cigarette~~
12 ~~tax revenues designated under section 245-15,~~
13 ~~interest];~~
- 14 (3) Interest and investment earnings attributable to the
15 moneys in the special fund~~[, legislative];~~
- 16 (4) Legislative appropriations, ~~[and grants,]~~ including
17 grants-in-aid; and
- 18 (5) Grants, donations, and contributions from private or
19 public sources for the purposes of the fund~~[, shall be~~
20 ~~deposited into the special fund].~~



1 (d) All unencumbered and unexpended moneys in excess of
2 \$45,000,000 remaining on balance in the special fund at the
3 close of June 30 of each year shall lapse to the credit of the
4 general fund.

5 (e) The emergency medical services special fund shall be
6 used:

7 (1) By the department to support the continuing
8 development and operation of a comprehensive state
9 emergency medical systems of care;

10 (2) To subsidize the documented costs for the
11 comprehensive emergency medical services, including
12 emergency ambulance services, emergency air medical
13 services, equipment, supplies, training, education,
14 dispatch, communications and data systems, and public
15 education of 911 emergency medical services; and

16 (3) For necessary administrative expenses, not to exceed
17 five per cent of the total amount collected in the
18 special fund any given year.

19 (f) Expenditures from the emergency medical services
20 special fund shall be exempt from chapters 103D and 103F.



1 [~~(d)~~] (g) The department shall submit an annual report to
2 the legislature no later than twenty days prior to the convening
3 of each regular session that outlines the receipts of, and
4 expenditures from, the special fund.

5 (h) The department shall adopt rules pursuant to chapter
6 91 to effectuate the purposes of this section."

7 SECTION 4. Section 245-15, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§245-15 Disposition of revenues.** All moneys collected
10 pursuant to this chapter shall be paid into the state treasury
11 as state realizations to be kept and accounted for as provided
12 by law; provided that, of the moneys collected under the tax
13 imposed pursuant to:

14 (1) Section 245-3(a)(5), after September 30, 2006, and
15 prior to October 1, 2007, 1.0 cent per cigarette shall
16 be deposited to the credit of the Hawaii cancer
17 research special fund, established pursuant to section
18 304A-2168, for research and operating expenses and for
19 capital expenditures;

20 (2) Section 245-3(a)(6), after September 30, 2007, and
21 before October 1, 2008:



- 1 (A) 1.5 cents per cigarette shall be deposited to the
2 credit of the Hawaii cancer research special
3 fund, established pursuant to section 304A-2168,
4 for research and operating expenses and for
5 capital expenditures;
- 6 (B) 0.25 cents per cigarette shall be deposited to
7 the credit of the trauma system special fund
8 established pursuant to section 321-22.5; and
- 9 (C) 0.25 cents per cigarette shall be deposited to
10 the credit of the emergency medical services
11 special fund established pursuant to section
12 321-234;
- 13 (3) Section 245-3(a)(7), after September 30, 2008, and
14 before July 1, 2009:
- 15 (A) 2.0 cents per cigarette shall be deposited to the
16 credit of the Hawaii cancer research special
17 fund, established pursuant to section 304A-2168,
18 for research and operating expenses and for
19 capital expenditures;



- 1 (B) 0.5 cents per cigarette shall be deposited to the
2 credit of the trauma system special fund
3 established pursuant to section 321-22.5;
- 4 (C) 0.25 cents per cigarette shall be deposited to
5 the credit of the community health centers
6 special fund established pursuant to section
7 321-1.65; and
- 8 (D) 0.25 cents per cigarette shall be deposited to
9 the credit of the emergency medical services
10 special fund established pursuant to section
11 321-234;
- 12 (4) Section 245-3(a)(8), after June 30, 2009, and before
13 July 1, 2013:
- 14 (A) 2.0 cents per cigarette shall be deposited to the
15 credit of the Hawaii cancer research special
16 fund, established pursuant to section 304A-2168,
17 for research and operating expenses and for
18 capital expenditures;
- 19 (B) 0.75 cents per cigarette shall be deposited to
20 the credit of the trauma system special fund
21 established pursuant to section 321-22.5;



1 (C) 0.75 cents per cigarette shall be deposited to
2 the credit of the community health centers
3 special fund established pursuant to section
4 321-1.65; and

5 (D) 0.5 cents per cigarette shall be deposited to the
6 credit of the emergency medical services special
7 fund established pursuant to section 321-234;

8 (5) Section 245-3(a)(11), after June 30, 2013, and before
9 July 1, 2015:

10 (A) 2.0 cents per cigarette shall be deposited to the
11 credit of the Hawaii cancer research special
12 fund, established pursuant to section 304A-2168,
13 for research and operating expenses and for
14 capital expenditures;

15 (B) 1.5 cents per cigarette shall be deposited to the
16 credit of the trauma system special fund
17 established pursuant to section 321-22.5;

18 (C) 1.25 cents per cigarette shall be deposited to
19 the credit of the community health centers
20 special fund established pursuant to section
21 321-1.65; and



1 (D) 1.25 cents per cigarette shall be deposited to
2 the credit of the emergency medical services
3 special fund established pursuant to section
4 321-234;

5 (6) Section 245-3(a)(11), after June 30, 2015, and before
6 January 1, 2026:

7 (A) 2.0 cents per cigarette shall be deposited to the
8 credit of the Hawaii cancer research special
9 fund, established pursuant to section 304A-2168,
10 for research and operating expenses and for
11 capital expenditures;

12 (B) 1.125 cents per cigarette, but not more than
13 \$7,400,000 in a fiscal year, shall be deposited
14 to the credit of the trauma system special fund
15 established pursuant to section 321-22.5;

16 (C) 1.25 cents per cigarette, but not more than
17 \$8,800,000 in a fiscal year, shall be deposited
18 to the credit of the community health centers
19 special fund established pursuant to section
20 321-1.65; and



1 (D) 1.25 cents per cigarette, but not more than
2 \$8,800,000 in a fiscal year, shall be deposited
3 to the credit of the emergency medical services
4 special fund established pursuant to section
5 321-234; and

6 (7) Section 245-3(a)(12), after December 31, 2025, and
7 ~~[thereafter:]~~ before January 1, 2027:

8 (A) 4.0 cents per cigarette shall be deposited to the
9 credit of the Hawaii cancer research special
10 fund, established pursuant to section 304A-2168,
11 for research and operating expenses and for
12 capital expenditures; provided that, until
13 June 30, 2030, of each amount deposited under
14 this paragraph to the credit of the Hawaii cancer
15 research special fund, 4.0 cents per cigarette
16 shall be used exclusively for debt service of
17 capital expenditures and building maintenance;
18 provided further that beginning July 1, 2030, of
19 each amount deposited under this paragraph to the
20 credit of the Hawaii cancer research special
21 fund, 2.0 cents per cigarette shall be used



1 exclusively for debt service of capital
2 expenditures and building maintenance;

3 (B) 1.125 cents per cigarette, but no more than
4 \$7,400,000 in a fiscal year, shall be deposited
5 to the credit of the trauma system special fund
6 established pursuant to section 321-22.5;

7 (C) 1.25 cents per cigarette, but no more than
8 \$8,800,000 in a fiscal year, shall be deposited
9 to the credit of the community health centers
10 special fund established pursuant to section
11 321-1.65; and

12 (D) 1.25 cents per cigarette, but no more than
13 \$8,800,000 in a fiscal year, shall be deposited
14 to the credit of the emergency medical services
15 special fund established pursuant to section
16 321-234[-];

17 (8) Section 245-3(a)(12), after December 31, 2026, and
18 thereafter:

19 (A) 4.0 cents per cigarette shall be deposited to the
20 credit of the Hawaii cancer research special
21 fund, established pursuant to section 304A-2168,



1 for research and operating expenses and for
2 capital expenditures; provided that, until
3 June 30, 2030, of each amount deposited under
4 this paragraph to the credit of the Hawaii cancer
5 research special fund, 4.0 cents per cigarette
6 shall be used exclusively for debt service of
7 capital expenditures and building maintenance;
8 provided further that beginning July 1, 2030, of
9 each amount deposited under this paragraph to the
10 credit of the Hawaii cancer research special
11 fund, 2.0 cents per cigarette shall be used
12 exclusively for debt service of capital
13 expenditures and building maintenance;
14 (B) 1.125 cents per cigarette, but no more than
15 \$7,400,000 in a fiscal year, shall be deposited
16 to the credit of the trauma system special fund
17 established pursuant to section 321-22.5; and
18 (C) 1.25 cents per cigarette, but no more than
19 \$8,800,000 in a fiscal year, shall be deposited
20 to the credit of the community health centers



Report Title:

Emergency Medical Services Special Fund; Billable Emergency
Medical Services; Allowable Uses

Description:

Amends the Emergency Medical Services Special Fund by authorizing the deposit of revenues from billable emergency medical services. Amends the composition and allowable uses of the special fund. Establishes a cap on the unencumbered and unexpended balance in the special fund. Exempts expenditures from the special fund from chapters 103D and 103F, HRS. Discontinues the allocation of cigarette tax revenues to the special fund beginning 1/1/2027. Effective 7/1/3000. (SD1)

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

