

JAN 23 2026

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# A BILL FOR AN ACT

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RELATING TO THE EMERGENCY MEDICAL SERVICES SPECIAL FUND.

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

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

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



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

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

- 17       (1) Authorizing revenues derived from billable emergency  
18           medical services to be deposited into the special  
19           fund;  
20       (2) Amending the composition and allowable uses of the  
21           special fund; and



1 (3) Establishing an annual cap on the special fund.

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

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

14 (b) No ambulance, community paramedicine, enhanced and  
15 expanded emergency medical services, or any other emergency  
16 medical services available from or under the authority of this  
17 chapter shall be denied to any person on the basis of the  
18 ability of the person to pay therefor or because of the lack of  
19 prepaid health care coverage or proof of such ability or  
20 coverage."



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

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

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

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

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

(2) The remainder shall be distributed to the department for operating the system established pursuant to this chapter, including enhanced and expanded services, and shall not be used to supplant funding for emergency medical services authorized prior to July 1, 2004.

(c) The special fund shall consist of:



1        (1) No less than fifty per cent of the emergency medical  
2        services revenue collected for services provided  
3        pursuant to section 321-232;

4        (2) Fees remitted pursuant to section 249-31[~~, cigarette~~];

5        (3) Cigarette tax revenues designated under section 245-  
6        15[~~, interest~~];

7        (4) Interest and investment earnings attributable to the  
8        moneys in the special fund[~~, legislative~~];

9        (5) Legislative appropriations, [~~and grants,~~] including  
10       grants-in-aid; and

11       (6) Grants, donations, and contributions from private or  
12       public sources for the purposes of the fund, shall be  
13       deposited into the special fund.

14       (d) All unencumbered and unexpended moneys in excess of  
15       \$45,000,000 remaining on balance in the special fund at the  
16       close of June 30 of each year shall lapse to the credit of the  
17       general fund.

18       (e) The emergency medical services special fund shall be  
19       used:



1        (1) By the department to support the continuing  
2        development and operation of a comprehensive state  
3        emergency medical system of care;

4        (2) To subsidize the documented costs for the  
5        comprehensive emergency medical services, including  
6        emergency ambulance, emergency air medical transport  
7        services, equipment, supplies, training, education,  
8        dispatch, communications and data systems, and public  
9        education of 911 emergency medical services; and

10       (3) Necessary administrative expenses, not to exceed five  
11       per cent of the total amount collected in the special  
12       fund any given year.

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

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

19       (h) The department shall adopt rules pursuant to chapter  
20       91 to effectuate the purposes of this section."



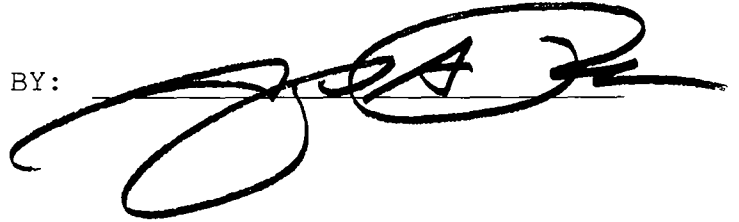
# S.B. NO. 2860

1       SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3       SECTION 5. This Act shall take effect on July 1, 2026.

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INTRODUCED BY: \_\_\_\_\_

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be the name of the sponsor.

# S.B. NO. 2860

**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, allowable uses, and  
establishes a cap on the special fund.

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

