

---

---

# A BILL FOR AN ACT

RELATING TO MENTAL HEALTH.

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

1           SECTION 1. The legislature finds that the State faces a  
2 severe shortage of licensed mental health professionals,  
3 resulting in long waitlists for mental health services and  
4 significant barriers to care for medicaid beneficiaries. The  
5 legislature further finds that allowing unlicensed,  
6 pre-licensed, or trainee mental health professionals to provide  
7 services under the clinical supervision of a licensed mental  
8 health professional, and ensuring these services are eligible  
9 for medicaid prospective payment system reimbursement, will  
10 expand the State's mental health workforce and improve timely  
11 access to care.

12           The legislature finds that enabling supervised pre-licensed  
13 mental health professionals to serve medicaid recipients will  
14 increase the number of qualified providers available to  
15 low-income individuals and families, help reduce waitlists, and  
16 fill critical gaps in the behavioral health system. The  
17 legislature also finds that medicaid reimbursement will provide



1 needed income stability for pre-licensed mental health  
2 professionals, who often cannot bill insurance while completing  
3 required clinical hours, and lead to a stronger mental health  
4 care workforce pipeline in the State.

5 The legislature further finds that expanding medicaid  
6 prospective payment system reimbursement to services provided by  
7 supervised pre-licensed mental health professionals promotes  
8 mental health equity by ensuring financial status does not  
9 impede access to necessary services. Additionally, working with  
10 medicaid populations provides valuable training and professional  
11 development opportunities for early-career mental health  
12 professionals, contributing to a more skilled and culturally  
13 responsive mental health workforce.

14 Accordingly, the purpose of this Act is to:

15 (1) Expand the services eligible for medicaid prospective  
16 payment system reimbursement to include certain  
17 services furnished by a federally qualified health  
18 center or rural health clinic and provided by mental  
19 health professionals under the clinical supervision of  
20 a licensed mental health professional; and



1 (2) Require the department of human services to adopt  
2 rules for this purpose.

3 SECTION 2. Section 346-53.64, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5 "(a) Services eligible for prospective payment system  
6 reimbursement are those services that are furnished by a  
7 federally qualified health center or rural health clinic that  
8 are:

- 9 (1) Within the legal authority of a federally qualified  
10 health center to deliver, as defined in section 1905  
11 of the Social Security Act;
- 12 (2) Actually provided by the federally qualified health  
13 center, either directly or under arrangements;
- 14 (3) Covered benefits under the medicaid program, as  
15 defined in section 4231 of the State Medicaid Manual  
16 and the Hawaii medicaid state plan;
- 17 (4) Provided to a recipient eligible for medicaid  
18 benefits;
- 19 (5) Delivered exclusively by health care professionals,  
20 including [~~physicians,~~]:



1           (A) Physicians, physician's assistants, nurse  
2           practitioners, nurse midwives, clinical social  
3           workers, clinical psychologists, and other  
4           persons acting within the lawful scope of their  
5           license or certificate to provide services; or

6           (B) Mental health professionals, as defined in  
7           section 577-29; provided that the mental health  
8           professional shall be under the clinical  
9           supervision of a licensed mental health  
10          professional, as defined in section 577-29;

11          (6) Provided at the federally qualified health center's  
12          practice site, a hospital emergency room, in an  
13          inpatient setting, at the patient's place of  
14          residence, including long term care facilities, or at  
15          another medical facility; and

16          (7) Within the scope of services provided by the State  
17          under its fee-for-service medicaid program and its  
18          medicaid managed care program, on and after August  
19          1994, and as amended from time to time."

20          SECTION 3. The department of human services shall adopt  
21          rules pursuant to chapter 91, Hawaii Revised Statutes, to allow

1 medical assistance reimbursement payments to medicaid  
2 beneficiaries under the State's medicaid managed care program  
3 for services offered by a mental health professional under the  
4 clinical supervision of a licensed mental health professional.  
5 to recipients who are eligible for medicaid benefits under any  
6 plan under medicaid managed care programs in the State by a  
7 mental health professional under the clinical supervision of a  
8 licensed mental health professional.

9 For the purposes of this section, "mental health  
10 professional" and "licensed mental health professional" have the  
11 same meanings as those terms are defined in section 577-29,  
12 Hawaii Revised Statutes.

13 SECTION 4. The department of human services shall seek  
14 waivers and any additional approvals from the Centers for  
15 Medicare and Medicaid Services necessary to implement this Act.

16 SECTION 5. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on July 1, 3000;  
2 provided that sections 2 and 3 of this Act shall take effect  
3 upon approval and enforceable only to the extent approved by the  
4 Centers for Medicare and Medicaid Services.



**Report Title:**

DHS; Medicaid; Prospective Payment System; Reimbursement; Mental Health Services; Mental Health Professionals

**Description:**

Expands the services eligible for Medicaid Prospective Payment System reimbursement to include certain services furnished by a federally qualified health center or rural health clinic and provided by mental health professionals under the clinical supervision of a licensed mental health professional. Requires the Department of Human Services to adopt rules for this purpose and seek federal approvals as necessary. Effective 7/1/3000.  
(HD1)

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

