
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 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."



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

3 **"§321-234 Emergency medical services special fund. (a)**

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

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

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

14 (2) The remainder shall be distributed to the department
15 for [operating]:

16 (A) Operating the system established pursuant to this
17 chapter, including enhanced and expanded
18 services, and shall not be used to supplant
19 funding for emergency medical services authorized
20 prior to July 1, 2004[-]; and

21 (B) The purposes authorized by subsection (e).



- 1 (c) The special fund shall consist of:
- 2 (1) No less than fifty per cent of the emergency medical
3 services revenue collected for services provided
4 pursuant to section 321-232;
- 5 (2) Fees remitted pursuant to section 249-31[~~, cigarette~~];
- 6 (3) Cigarette tax revenues designated under section 245-
7 15[~~, interest~~];
- 8 (4) Interest and investment earnings attributable to the
9 moneys in the special fund[~~, legislative~~];
- 10 (5) Legislative appropriations, [~~and grants,~~] including
11 grants-in-aid; and
- 12 (6) Grants, donations, and contributions from private or
13 public sources for the purposes of the fund[~~, shall be~~
14 ~~deposited into the special fund~~].
- 15 (d) All unencumbered and unexpended moneys in excess of
16 \$45,000,000 remaining on balance in the special fund at the
17 close of June 30 of each year shall lapse to the credit of the
18 general fund.
- 19 (e) The emergency medical services special fund shall be
20 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 services, emergency air medical
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."



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, 3000.



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. Effective 7/1/3000.
(HD1)

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