
A BILL FOR AN ACT

RELATING TO HEALTH CARE.

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

1 SECTION 1. The legislature finds that health care
2 institutions in the State expend significant financial resources
3 providing care to medicare beneficiaries with extraordinary
4 medical needs and to uninsured patients who lack the ability to
5 pay. These costs are borne unevenly across these institutions,
6 threatening the long-term sustainability of essential health
7 care services.

8 The purpose of this Act is to balance the financial burden
9 of high-cost medicare and uninsured patients among health care
10 institutions that receive state funding by requiring:

11 (1) Hospitals and hospital systems to submit annual
12 certified reports regarding costs associated with
13 medicare and uninsured patients to the department of
14 health, Hawaii health systems corporation, and state
15 health planning and development agency;

16 (2) The department of health, Hawaii health systems
17 corporation, and state health planning and development



1 agency to review the reports, establish standards and
2 procedures, and adopt rules;

3 (3) The department of health to consider the reports when
4 determining the department's budget request and
5 designate financial assistance requests in an
6 equitable way; and

7 (4) The office of the auditor to conduct periodic audits
8 of the financial assistance distributed to hospitals
9 and hospital systems.

10 SECTION 2. Chapter 323D, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 "§323D- Mandatory reporting; medicare and uninsured
14 patients; audits; rules; budget. (a) Every hospital or
15 hospital system that receives any state general fund
16 appropriation, capital improvement funds, or other state
17 financial assistance shall submit an annual report certified by
18 the auditor to the department of health, Hawaii health systems
19 corporation, and state health planning and development agency
20 that provides the following information:



- 1 (1) The number of medicare patients whose annual cost of
2 care exceeded \$50,000 and the net loss to the hospital
3 or hospital system to provide care to these patients;
4 and
- 5 (2) The number of uninsured patients whose annual cost of
6 care exceeded \$5,000 and the net loss to the hospital
7 or hospital system to provide care to these patients.
- 8 (b) The department of health, in coordination with the
9 Hawaii health systems corporation and the state health planning
10 and development agency, shall:
- 11 (1) Review and verify the reports submitted pursuant to
12 subsection (a);
- 13 (2) Establish uniform accounting standards and reporting
14 procedures; and
- 15 (3) Adopt rules pursuant to chapter 91 necessary to carry
16 out the purposes of this section, including rules
17 related to:
- 18 (A) Cost accounting methodologies;
19 (B) Patient eligibility determinations;
20 (C) Reporting formats and timelines;
21 (D) Verification and audit procedures; and



1 (E) Redistribution calculations.

2 (c) In determining the amount of general fund
3 appropriations, capital improvement funding, or other state
4 financial assistance to be requested in the department of
5 health's budget, the department of health shall consider the
6 reports filed pursuant to subsection (a) and designate financial
7 assistance requests, not to exceed \$ _____, in such a way as
8 to equitably distribute the financial burden associated with
9 medicare and uninsured patients across all hospitals and
10 hospital systems that receive state funds.

11 (d) The office of the auditor shall conduct periodic
12 audits of the funds distributed to hospitals and hospital
13 systems pursuant to subsection (c) to ensure compliance with
14 this section.

15 (e) For the purposes of this section, "hospital" means an
16 institution licensed by the department of health pursuant to
17 section 321-14.5."

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

DOH; HHSC; SHPDA; Auditor; Hospitals; Hospital Systems; Medicare Patients; Uninsured Patients; Reports; Rules; Financial Assistance

Description:

Requires hospitals and hospital systems to submit annual certified reports regarding costs associated with Medicare and uninsured patients to the Department of Health, Hawaii Health Systems Corporation, and State Health Planning and Development Agency. Requires the Department of Health, Hawaii Health Systems Corporation, and State Health Planning and Development Agency to review the reports, establish standards and procedures, and adopt rules. Requires the Department of Health to consider the reports when determining the department's budget request and designate financial assistance requests in an equitable way. Requires the Office of the Auditor to conduct periodic audits of the financial assistance distributed to hospitals and hospital systems. Effective 7/1/3000. (HD1)

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