

ACT 150

S.B. NO. 2121-76

A Bill for an Act Relating to Payment for Medical and other Professional Health Care Services under Public Assistance Programs.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Under Chapter 7, Subchapter XIX, Title 42, Social Security Act (medicaid program), our citizens who rely upon public assistance are entitled to the same medical and other professional health care as their more fortunate counterparts. The current payments for medical and other professional health services, such as the services of podiatrists, optometrists, opticians, and psychologists, by the department of social services and housing under the medicaid program is grossly inadequate which makes the rendering of private medical and

other professional health services to the poor a discouraging situation. The policy for payment for services of physicians, osteopaths, and other professional health care service providers is to pay seventy-five per cent of their charges which are usual and customary, but not to exceed the maximum permitted under federal regulations. These payments for such services under public assistance programs have not equitably reflected the increase in cost of providing the care, so that the treatment of medicaid patients is becoming an economically unrealistic proposition.

The purpose of this Act is to require the department of social services and housing to adopt rules to follow in paying under medicaid for medical and other professional health services on the basis of usual and customary charges in order to enable physicians and other providers of professional health care services to prudently offset the rising costs in the delivery of adequate medical and other professional health care services.

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"Sec. 346- Medical, dental, and other professional health care services; reimbursement of such services. The director of social services shall adopt rules under chapter 91 concerning payment for medical, dental, and other professional health care services under this chapter. The department shall pay usual and customary fees up to the maximum which federal rules permit. The biennial budget shall be based upon the most current profile of usual and customary fees and the profile shall be utilized for the biennial period. On even numbered years, the director shall submit a report to the legislature on or before January 1 to determine the amount of additional moneys required to implement the intent of this section, and shall request that such amount shall be reflected in the governor's supplemental budget to the legislature. If additional funds are appropriated, the profile upon which the additional appropriations are based shall be utilized for the remainder of the biennial period."

SECTION 3. Section 346-58, Hawaii Revised Statutes, is repealed.

SECTION 4. There is hereby appropriated out of the general revenues of the State of Hawaii the sum of \$2,300,000, or so much thereof as may be necessary, for carrying out the purposes of this Act, to be expended for the period July 1, 1976 to June 30, 1977. The sum appropriated shall be expended by the department of social services and housing.

SECTION 5. **Severability.** If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 6. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

*Edited accordingly.

SECTION 7. This Act shall take effect on July 1, 1976.
(Approved May 27, 1976.)