

ACT 306

S.B. NO. 420

A Bill for an Act Relating to Medicaid.

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

SECTION 1. The legislature finds that low reimbursement to providers of medical care has been a primary reason for private practitioners choosing either to drop out of the Medicaid program or limiting their Medicaid patient load. The legislature also finds that the Omnibus Budget Reconciliation Act of 1989 requires that states provide adequate payment to practitioners to assure sufficient access to health care for Medicaid patients. Yet, there are currently some geographic "pockets" within the State where access to health care is inadequate. Many patients have been flown into Honolulu to receive the care which is not available to Medicaid patients on their home island. An increase in the reimbursement rate to providers of medical care will encourage wider provider participation and promote continued compliance with federal mandates.

The purpose of this Act is to increase Medicaid's private practitioner reimbursement from the current rate of fifty-six per cent of customary fees to sixty per cent of customary fees.

SECTION 2. Pursuant to its authority under section 346-59, Hawaii Revised Statutes, the department of human services, on July 1, 1991, shall increase the rate of payment to providers of medical care from fifty-six per cent of customary fees to sixty per cent of customary fees.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,595,152, or so much thereof as may be necessary for fiscal year 1991-1992, to carry out the purposes of this Act.

SECTION 4. The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 1991.

(Approved June 26, 1991.)