

ACT 284

S.B. NO. 1672

A Bill for an Act Relating to Health.

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

SECTION 1. The legislature finds that medicaid is the cornerstone of health care for our most needy population. Further, the legislature has previously recognized that it is in the public interest to ensure that health care payments made with

state funds or controlled by the State are sufficient to cover the actual costs of care. However, inadequate payment and reimbursement from medicaid have compromised access to medical care not only for the uninsured and those covered by medicaid but also for individuals who are covered by private employer-based health insurance.

As documented in numerous media reports, medical care services, especially in specialty care coverage in rural areas and on the neighbor islands, has reached crisis proportions.

Hawaii's physicians servicing medicaid eligible persons have been adversely affected by the inadequacy of medicaid reimbursements and payments.

The purpose of this Act is to increase the payment for physician services for medicaid eligible persons including fee-for-service and QUEST eligible individuals.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$8,000,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the same sum or so much thereof that may be necessary for fiscal year 2008-2009 to increase moneys paid out for physician services for the care of medicaid eligible persons, including fee-for-service and QUEST physician services.

The sums appropriated shall be expended by the department of human services for the purposes of this Act; provided that:

- (1) The sum is equitably distributed between medicaid fee-for-service physician services and health plans that provide QUEST physician services so that the health plans can increase the payment for these physician services; and
- (2) The increased moneys, when added to the amount of reimbursement payable under the medicaid fee schedule, shall in no event exceed one hundred per cent of the current medicare fee schedule applicable to Hawaii.

SECTION 3. The department of human services shall include in its supplemental budget request for fiscal year 2008-2009 a sum at least equal to the sum appropriated in section 2 in addition to its baseline medicaid request that will allow for increased moneys to be paid out for physician services for medicaid eligible persons, including fee-for-service and QUEST physician services. The department shall report the amount of the baseline medicaid sum and the additional funds to be paid out for physician services to the legislature no later than twenty days prior to the convening of the 2008 regular session.

SECTION 4. The department of human services shall report to the legislature no later than twenty days prior to the convening of the 2008 regular session with the amount of funding necessary to:

- (1) Continue the increased payments for physician services up to one hundred per cent of the current medicare fee schedule applicable to Hawaii; and
- (2) Increase payments up to one hundred per cent of the current medicare fee schedule applicable to Hawaii to all medicaid fee-for-service and QUEST providers, if approved.

SECTION 5. This Act shall take effect on July 1, 2007.

(Became law on July 10, 2007, without the Governor's signature, pursuant to Art. III, §16, State Constitution.)