

ACT 136

H.B. NO. 1943

A Bill for an Act Relating to Long-Term Care Facilities.

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

SECTION 1. The legislature finds that long-term care facilities in the State face major financial challenges in providing quality health care for Hawaii residents. These challenges are largely the result of payments for medicaid enrollees that do not cover the actual costs of care. Long-term care facilities have not received an inflationary update to their reimbursement rates for a number of years and, as such, have seen the gap between costs and reimbursements widen considerably. The financial effect is further magnified by the fact that roughly seventy per cent of patients in long-term care facilities are covered by the state medicaid program.

The purpose of this Act is to preserve access to health care for medicaid recipients by providing an inflationary adjustment to the long-term care reimbursement methodology used to reimburse facilities for medicaid recipients.

SECTION 2. (a) The department of human services shall recognize an annual cost increase to a long-term care facility's provider-specific prospective payment rate by applying an inflation adjustment factor to the provider's annual costs or basic prospective payment system rates.

(b) The annual inflation adjustment factor shall be the reimbursement rate approved by the federal government in the medicaid state plan.

(c) The cost increase shall only apply for fiscal year 2016-2017.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,553,559 or so much thereof as may be necessary for fiscal year 2016-2017 for the purpose of providing an inflationary adjustment to long-term care facilities' provider-specific prospective payment rates.

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

SECTION 4. This Act shall take effect on July 1, 2016, and shall be repealed on June 30, 2017.

(Approved June 29, 2016.)