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# A BILL FOR AN ACT

RELATING TO HEALTH.

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

1       SECTION 1. (a) The legislature finds that community  
2 health centers serve uninsured, underinsured, and low-income  
3 patient populations with demographic complexities and co-  
4 morbidities. In addition, community health centers serve one-  
5 fourth of the State's medicaid members and a substantial  
6 percentage of the State's homeless individuals and families.  
7 Considering that forty-six per cent of the State's population is  
8 below two hundred per cent of the federal poverty level,  
9 community health centers clearly fill an important community  
10 need.

11       Community health centers:

- 12       (1) Are nonprofit, community-based organizations whose  
13       purpose and expertise is in providing quality person-  
14       centered health care to underserved populations and  
15       areas;
- 16       (2) Provide culturally and linguistically appropriate  
17       health care and a broad range of integrated primary  
18       care and preventive services;



- 1 (3) Operate in medically-underserved areas where
- 2 individuals have limited access to other health care
- 3 providers because of geographic and socio-economic
- 4 barriers;
- 5 (4) Contribute greatly to the economies and livability of
- 6 the communities they serve; and
- 7 (5) Are cost-effective quality health care providers whose
- 8 care results in healthier communities and the
- 9 decreased use of emergency, specialty, and in-patient
- 10 services.

11 Community health centers save the health care system \$1,263  
12 per patient annually due to timely, effective care and care  
13 management that reduces unnecessary emergency room and in-  
14 patient visits as well as the utilization of specialty care  
15 services. This translated to savings of more than \$182,000,000  
16 in 2012. Community health centers' patient-centered delivery  
17 system features: comprehensive primary medical, behavioral  
18 health, and dental services; care management and enabling  
19 services that enhance access, compliance, and patient  
20 engagement; and focus on quality outcomes supported by  
21 electronic health records that conform to meaningful use  
22 requirements. Community health centers are also a smart



1 investment that results in healthier communities while saving  
2 the State money.

3 Implementation of the Patient Protection and Affordable  
4 Care Act has resulted in uncertainty for many individuals.  
5 Furthermore, as seen in Massachusetts following implementation  
6 of that state's landmark health reform law, Hawaii community  
7 health centers have similarly seen a twenty-five per cent  
8 increase in uninsured patients at their centers in 2012 as a  
9 result of the implementation of the Patient Protection and  
10 Affordable Care Act. Over the past ten years, Hawaii community  
11 health centers have experienced a twenty-six per cent increase  
12 in uninsured patients and have endured a twelve per cent  
13 decrease in state health care funding for the uninsured.

14 For the reasons set out above, it is imperative that the  
15 State provide support and resources that will synchronize the  
16 trajectory of community health center growth with the State's  
17 implementation of the Patient Protection and Affordable Care  
18 Act.

19 The legislature also finds that it is in the best interests  
20 of the State to ensure access to primary, behavioral, dental,  
21 and preventive health care for its residents. In addition to  
22 facilitating a healthier population, improving access to health



1 care reduces state expenditures attributable to hospital and  
2 emergency room services for preventable injuries or illnesses.

3 (b) The legislature finds that the State's federally-  
4 matched medicaid programs form an essential support for  
5 underserved individuals and for community health centers. Among  
6 the medicaid programs that need to be fully funded are dental  
7 benefits for adults and outreach and enrollment services.

8 Oral health is as important as any other physical or mental  
9 health need, and dental diseases contribute to cardiac problems  
10 and premature births. Unaddressed dental needs affect the  
11 ability of individuals to obtain and keep employment.

12 State medicaid programs offer insurance options for low-  
13 income, uninsured citizens. Under the Patient Protection and  
14 Affordable Care Act, such programs will expand to accommodate  
15 additional uninsured adults. It is in the best interests of the  
16 State to ensure that community programs reach out to and assist  
17 individuals and families with children to enroll in Med-QUEST  
18 and other social support programs for which they are eligible.

19 (c) Accordingly, the purpose of this Act is to provide  
20 quality, cost-effective health care for Hawaii residents who are  
21 uninsured, newly insured, underinsured, potential medicaid  
22 enrollees, or medicaid enrollees.



1 SECTION 2. There is appropriated out of the general  
 2 revenues of the State of Hawaii the sum of \$ or so  
 3 much thereof as may be necessary for fiscal year 2014-2015 for  
 4 the department of health to provide resources to federally  
 5 qualified health centers for the provision of direct health care  
 6 for the uninsured and underinsured patients at community health  
 7 centers, which may include primary medical, dental, and  
 8 behavioral health care; provided that distribution of funds may  
 9 be on a "per visit" basis and may include an additional per  
 10 member per month quality incentive payment, taking into  
 11 consideration the need on all islands.

12 The sum appropriated shall be expended by the department of  
 13 health for the purposes of this Act.

14 SECTION 3. There is appropriated out of the general  
 15 revenues of the State of Hawaii the sum of \$ or so  
 16 much thereof as may be necessary for fiscal year 2014-2015 to  
 17 restore basic adult dental benefits to medicaid enrollees;  
 18 provided that no funds appropriated under this section shall be  
 19 expended unless the department of human services obtains the  
 20 maximum amount of federal matching funds for fiscal year 2014-  
 21 2015 that are available for this expenditure, as provided in Act



1 , Session Laws of Hawaii 2014, the Supplemental Appropriations  
2 Act of 2014.

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

5 SECTION 4. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$ or so  
7 much thereof as may be necessary for fiscal year 2014-2015 to  
8 provide outreach and eligibility services, including medicaid  
9 and children's health insurance program eligibility, for  
10 children, families, and individuals at federally qualified  
11 health centers; provided that no funds appropriated under this  
12 section shall be expended unless the department of human  
13 services obtains the maximum amount of federal matching funds  
14 for fiscal year 2014-2015 that are available for this  
15 expenditure, as provided in Act , Session Laws of Hawaii  
16 2014, the Supplemental Appropriations Act of 2014.

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

19 SECTION 5. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so  
21 much thereof as may be necessary for fiscal year 2014-2015 to  
22 establish health homes in medicaid as provided in the Patient



1 Protection and Affordable Care Act; provided that no funds  
 2 appropriated under this section shall be expended unless the  
 3 department of human services obtains the maximum amount of  
 4 federal matching funds for fiscal year 2014-2015 that are  
 5 available for this expenditure, as provided in Act , Session  
 6 Laws of Hawaii 2014, the Supplemental Appropriations Act of  
 7 2014.

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

10 SECTION 6. There is appropriated out of the community  
 11 health centers special fund the sum of \$ or so much  
 12 thereof as may be necessary for fiscal year 2014-2015 to the  
 13 department of health; provided that such moneys shall be  
 14 transferred to the department of human services to establish  
 15 health homes for medicaid enrollees at federally qualified  
 16 health centers as provided in the Patient Protection and  
 17 Affordable Care Act; provided further that no funds appropriated  
 18 under this section shall be expended unless the department of  
 19 human services obtains the maximum amount of federal matching  
 20 funds for fiscal year 2014-2015 that are available for this  
 21 expenditure, as provided in Act , Session Laws of Hawaii  
 22 2014, the Supplemental Appropriations Act of 2014.



1           The sum appropriated shall be expended by the department of  
2 health for the purposes of this Act.

3           SECTION 7. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$                    or so  
5 much thereof as may be necessary for fiscal year 2014-2015 to  
6 provide behavioral health services at federally qualified health  
7 centers.

8           The sum appropriated shall be expended by the department of  
9 health for the purposes of this Act.

10          SECTION 8. The revisor of statutes shall insert the act  
11 number of the Supplemental Appropriations Act of 2014 in  
12 sections 3, 4, 5, and 6.

13          SECTION 9. This Act shall take effect on July 1, 2050.



**Report Title:**

Quality, Cost-effective Healthcare; Appropriations

**Description:**

Appropriates funds to provide primary medical, dental, and behavioral healthcare to uninsured and underinsured patients and restores basic adult dental benefits to medicaid enrollees. Appropriates moneys to community health centers to provide outreach and eligibility services as well as behavioral services and to establish health homes for medicaid enrollees. Effective 7/1/2050. (SD2)

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