

JAN 18 2008

A BILL FOR AN ACT

RELATING TO HEALTH.

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

- 1 SECTION 1. The legislature finds that:
- 2 (1) Sound public policy and legislation is necessary to
- 3 address the development of a platform for improving
- 4 the delivery and quality of health care, as well as
- 5 developing a foundation for sustainable healthcare
- 6 access in Maui county and the State by means of an
- 7 inter-operative health information exchange in Hawaii;
- 8 (2) The delivery of health care is becoming an
- 9 increasingly complex process calling upon the
- 10 coordination of various caregivers;
- 11 (3) It is becoming vitally important for caregivers to be
- 12 able to securely and rapidly exchange information
- 13 regarding a particular patient or groups of patients
- 14 in order to deliver timely, effective, and efficient
- 15 medical care;
- 16 (4) There are initiatives being undertaken both at the
- 17 state and federal level, across the United States, to



1 develop regional health information organizations,
2 which will facilitate the secure and rapid exchange of
3 patient-identified information across the broad
4 spectrum of physicians, hospitals, and other health
5 care providers within a state and across state borders
6 when needed;

7 (5) There is increasing evidence that the development of
8 these information exchange systems will not only
9 result in better and more timely care, but also more
10 cost-efficient and error-free care;

11 (6) An information exchange system will greatly benefit
12 the people of the State of Hawaii, and greatly improve
13 the quality, timeliness, and cost-effectiveness of the
14 medical care they receive if hospitals, health plans,
15 physicians, and other health care providers are able
16 to securely and rapidly exchange information regarding
17 the treatment rendered to a particular patient or
18 groups of patients;

19 (7) The Hawaii Health Information Exchange, Inc. is a
20 nonprofit corporation recently formed by key
21 stakeholders in the Hawaii health care community
22 including representatives from various hospitals,



1 health insurers, physician organizations, and other
2 health care providers; and

3 (8) The Hawaii Health Information Exchange, Inc. is
4 dedicated to the formation and operation of a health
5 information exchange system in the State of Hawaii,
6 which would allow a secure and rapid exchange of
7 medical information.

8 The purpose of this Act is to:

- 9 (1) Effectuate the recommendations made by the Maui Health
10 Initiative Task Force pursuant to Act 219, Session
11 Laws of Hawaii 2007;
- 12 (2) Require a study of the adequacy of health care on
13 Maui, including among other things, considering the
14 establishment of a regional health information
15 organization;
- 16 (3) Create a tax credit for medical providers practicing
17 on Maui or any entity that provides training for
18 health care professionals on Maui.

19 SECTION 2. (a) The department of health shall enter into
20 a contract with the Hawaii Health Information Exchange, Inc. to
21 conduct a comprehensive study of the adequacy of the existing



1 health care delivery in the county of Maui. The study shall
2 include, but not be limited to issues concerning:

3 (1) The number of physicians and other medical
4 professionals, including specialists, to service the
5 population;

6 (2) The availability of medical facilities, including
7 hospitals, clinics, emergency care facilities, and
8 long-term care facilities;

9 (3) Incentives to lure more physicians and medical
10 professionals to practice on Maui;

11 (4) The sufficiency of third-party reimbursements; and

12 (5) Whether a separate entity, to be known as the Maui
13 Health Information Corporation, a not-for-profit
14 membership organization, should be formed to improve
15 health care through the collection, analysis, and
16 dissemination of patient-identified information to
17 make informed decisions and guide the development of
18 health policy.

19 (b) The Hawaii Health Information Exchange, Inc., with the
20 assistance of the department of health, shall report its
21 findings and recommendations, including recommendations for
22 proposed legislation, if any, to the legislature no later than



1 twenty days prior to the convening of the regular session of
2 2009.

3 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§235- Tax credits for physicians and medical facilities
7 on Maui. (a) Any taxpayer who files an individual income tax
8 return for a taxable year may claim an income tax credit under
9 this section against the Hawaii state individual net income tax.

10 A qualifying taxpayer shall be a physician or osteopath
11 licensed in this State, or a licensed medical facility
12 referenced in section 321-11.

13 (b) The tax credit shall be \$; provided that the
14 taxpayer agrees to furnish medical services on Maui, or if the
15 taxpayer is a licensed medical facility, to provide training to
16 health care professionals on Maui, for a period of not less than
17 five years from the date of the filing of the first tax return
18 claiming a tax credit under this section and agrees to be a
19 member and participate in the data monitoring of a regional
20 health information organization known as the Maui Health
21 Information Corporation.



1 (c) If the tax credit claimed by the taxpayer under this
2 section exceeds the amount of the income tax payments due from
3 the taxpayer, the excess of credit over payments due shall be
4 refunded to the taxpayer; provided that the tax credit properly
5 claimed by a taxpayer who has no income tax liability shall be
6 paid to the taxpayer; and provided that no refunds or payments
7 on account of the tax credit allowed by this section shall be
8 made for amounts less than \$1.

9 (d) The director of taxation shall prepare such forms as
10 may be necessary to claim a credit under this section, may
11 require proof of the claim for the tax credit, and may adopt
12 rules pursuant to chapter 91 to effectuate this section.

13 (e) All of the provisions relating to assessments and
14 refunds under this chapter and under section 231-23(c)(1) shall
15 apply to the tax credit under this section.

16 (f) Claims for the tax credit under this section,
17 including any amended claims, shall be filed on or before the
18 end of the twelfth month following the taxable year for which
19 the credit may be claimed."

20 SECTION 4. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so
22 much thereof as may be necessary for fiscal year 2008-2009 for



1 the Hawaii Health Information Exchange, Inc. to conduct a study
2 under section 2 of this Act.

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

5 SECTION 5. New statutory material is underscored.

6 SECTION 6. This Act shall take effect upon its approval;
7 provided that section 4 shall take effect on July 1, 2008;
8 provided further that section 3 shall apply to taxable years
9 beginning after December 31, 2007.

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INTRODUCED BY: S. S. T. Z.

4 Keleni Eglish

Penalty & Bell



Report Title:

Health; Tax Credit; Health Information on Maui; Appropriation.

Description:

Requires a study of health care adequacy on Maui, including regional health information organization establishment; establishes a tax credit providing an incentive for health care providers to furnish services and health care training on Maui. Makes appropriation.

