
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 medicaid is the
2 cornerstone of health care for the most needy in our population.
3 Furthermore, the legislature has previously recognized that it
4 is in the public interest to ensure that health care payments
5 made with State funds or controlled by the State are sufficient
6 to cover the actual costs of care. However, inadequate payment
7 and reimbursement from medicaid have compromised access to
8 medical care not only for the uninsured and those covered by
9 medicaid but also for individuals who are covered by private
10 employer-based health insurance.

11 As documented in numerous media reports, the inadequacy of
12 medical care services, especially in specialty-care coverage in
13 rural areas and on the neighbor islands, has reached crisis
14 proportions.

15 Hawaii's physicians serving medicaid-eligible persons have
16 been adversely affected by the inadequacy of medicaid
17 reimbursements and payments.

1 The purpose of this Act is to increase the payment for
2 physician services for medicaid-eligible persons, including fee-
3 for-service and QUEST-eligible individuals, and the QUEST
4 expanded care program.

5 SECTION 2. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$1 or so much thereof
7 as may be necessary for fiscal year 2009-2010 and the same sum
8 or so much thereof that may be necessary for fiscal year 2010-
9 2011 to increase payments for physician services for the care of
10 medicaid-eligible persons, including fee-for-service, QUEST
11 physician services, and the QUEST expanded care program.

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

14 (1) The sums are equitably distributed between medicaid
15 fee-for-service physician services and health plans
16 that provide QUEST physician services, including the
17 QUEST expanded care program, so that the health plans
18 can increase the payment for these physician services;
19 and

20 (2) The sums, when added to the amount of reimbursement
21 payable under the medicaid fee schedule, shall in no

1 event exceed per cent of the current medicare fee
2 schedule applicable to Hawaii.

3 SECTION 3. The department of human services shall include
4 in its supplemental budget request for fiscal year 2010-2011 a
5 sum at least equal to the sum appropriated in section 2, in
6 addition to its baseline medicaid request, that will allow for
7 increased moneys to be paid out for physician services for
8 medicaid eligible persons, including fee-for-service and QUEST
9 physician services, including the QUEST expanded access
10 program. The department shall report the amount of the baseline
11 medicaid sum and the additional funds to be paid out for
12 physician services to the legislature no later than twenty days
13 prior to the convening of the regular session of 2010.

14 SECTION 4. The department of human services shall report
15 to the legislature no later than twenty days prior to the
16 convening of the regular session of 2010 the amount of funding
17 necessary to:

- 18 (1) Continue the increased payments for physician services
19 up to per cent of the current medicare fee
20 schedule applicable to Hawaii; and
- 21 (2) Increase payments up to per cent of the current
22 medicare fee schedule applicable to Hawaii to all

1 medicaid fee-for-service and QUEST providers,
2 including the QUEST expanded care program, if
3 approved.

4 SECTION 5. This Act shall take effect on July 1, 2077.

Report Title:

Medicaid Fee Schedule Rate Increase

Description:

Appropriates unspecified funds for each year of the 2009-2011 fiscal biennium to increase the payments for physician services to medicaid-eligible persons, including fee-for-service, QUEST provider services, and QUEST Expanded Access Program up to an unspecified per cent of the current medicare rate. Requires the department of human services (DHS) to report to the legislature prior to the 2010 regular session with (1) the amount of baseline medicaid and additional funds needed for fiscal year 2010-2011, and (2) the amount of funding required to continue increased payments for physician services to medicaid-eligible persons. Requires DHS to seek an appropriation in an amount equal to at least the amount appropriated in 2009-2010 for additional payments for physician services. Effective date 7/1/2077. (SD2)