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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. The legislature finds that the passage of the  
2 Patient Protection and Affordable Care Act of 2010 (PPACA)  
3 places health care at the forefront of our national domestic  
4 policy agenda. The PPACA aims to transform health care in  
5 America from a reactive, fragmented, payment-oriented delivery  
6 system to a proactive, comprehensive, quality-based consumer-  
7 centered way of living. The PPACA enacts policies that affect  
8 health care and healthy lifestyles, including insurance market  
9 reforms, coverage choices, affordability of coverage, individual  
10 and employer responsibilities, and investment in public health  
11 programs, community health centers, workforce development,  
12 quality, patient-centeredness, prevention, transparency, and  
13 accountability. These coverage expansions and improvements  
14 present challenges and opportunities for states and communities  
15 to successfully implement the PPACA.

16           The legislature recognizes the enactment of the PPACA as an  
17 opportunity to transform Hawaii's health care system. The  
18 legislature finds that the State is a partner with the federal



1 government in translating the provisions of the PPACA into an  
2 improved health care system and that the system is made up of  
3 many interrelated parts. Perhaps the most significant of these  
4 parts is the network of federally qualified health centers  
5 (community health centers).

6 Community health centers serve uninsured, low-income  
7 patient populations with demographic complexities and co-  
8 morbidities, medicaid members, and the homeless--those groups  
9 who are most likely to be helped by the PPACA and medicaid  
10 expansion, in addition to privately insured individuals and  
11 families. Community health centers:

- 12 (1) Are nonprofit, community-based organizations whose  
13 purpose and expertise lie in providing quality person-  
14 centered health care to underserved populations and  
15 regions;
- 16 (2) Provide culturally and linguistically appropriate  
17 health care and a broad range of primary care and  
18 preventive services;
- 19 (3) Are located in medically underserved areas where  
20 people have limited access to other health care  
21 providers because of geographic and socio-economic  
22 barriers;



1 (4) Contribute greatly to the economies and livability of  
2 the communities they serve; and

3 (5) Are cost-effective providers whose care results in  
4 healthier patients and the decreased use of emergency,  
5 specialty, and inpatient services.

6 Community health centers save the health care system \$1,262  
7 per patient per year due to timely, effective care and care  
8 management that reduces unnecessary emergency room, inpatient,  
9 and specialty utilization. This translated to savings of nearly  
10 \$160,000,000 in 2009. Community health centers' patient-  
11 centered delivery system features comprehensive primary medical,  
12 behavioral health, and dental services; and care management and  
13 services that enhance access, compliance, and patient  
14 engagement; and focuses on quality outcomes supported by  
15 electronic health records that conform to meaningful use  
16 requirements. Community health centers are a smart investment  
17 that results in healthier communities while saving the State  
18 money.

19 The legislature acknowledges that although the PPACA  
20 expands the population that will be eligible for medicaid  
21 coverage and private insurance, those provisions do not take  
22 place until 2014, leaving uncertainty for many and an increased



1 number of uninsured individuals as the economy continues to  
2 struggle. Furthermore, as seen in Massachusetts following  
3 implementation of that state's landmark health reform law,  
4 community health centers may see an increase in the number and  
5 proportion of the uninsured that are treated at their facilities  
6 once the PPACA is implemented.

7 For these reasons, it is imperative that the State provide  
8 support and resources that will synchronize the trajectory of  
9 community health center growth with implementation of the PPACA  
10 provisions at the state level. Congress permanently authorized  
11 community health centers and the National Health Service Corps  
12 in the PPACA because it recognized the community health center  
13 as the medical model and system that will transform health care.  
14 The PPACA will provide robust investment for operating costs,  
15 capital infrastructure, and workforce development programs in  
16 rural areas and community health centers over the next five  
17 years, however, much of this funding is competitive and in  
18 jeopardy of being restricted or eliminated.

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



1 expenditures attributable to hospital and emergency room  
2 services for preventable injuries or illnesses. The legislature  
3 recognizes the merit in supporting community health centers,  
4 which will become the health care home for the newly insured  
5 under the PPACA, to expand their capacity to serve the uninsured  
6 which make up approximately ten per cent of Hawaii's adult  
7 population. The legislature further recognizes the need to  
8 develop infrastructure and facilities for community health  
9 centers to meet the demand for services.

10 SECTION 2. The legislature finds that the State's  
11 federally matched medicaid and Med-QUEST programs form an  
12 essential support for underserved individuals and for community  
13 health centers. Among the medicaid programs that need to be  
14 fully funded are dental benefits for adults and outreach and  
15 enrollment services.

16 Oral health is as important as any other physical or mental  
17 health need and dental diseases contribute to cardiac health and  
18 premature births. Unaddressed dental needs affect the ability  
19 of individuals to obtain and keep employment.

20 Med-QUEST programs offer insurance options for low-income  
21 uninsured citizens. Under the PPACA, such programs will expand  
22 to accommodate additional uninsured adults. It is in the best



1 interests of the State to ensure that community programs reach  
2 out to and assist individuals and families with children to  
3 enroll in Med-QUEST programs for which they are eligible.

4 The legislature further finds that there are millions of  
5 dollars available to community health center providers through  
6 the PPACA to pay for meaningful use of electronic health  
7 records. Accordingly, the legislature supports a modest  
8 investment of state funds to serve as the ten per cent match  
9 needed to establish a state office for the purpose of assisting  
10 Hawaii in obtaining its fair share of these funds.

11 Accordingly, the purpose of this Act is to appropriate  
12 funds to provide quality, cost-effective health care for Hawaii  
13 residents who are uninsured, newly insured, or privately insured  
14 by supporting Hawaii's community health centers as they  
15 transform from the safety net to the backbone of the health care  
16 system by promoting person-centeredness, wellness, and healthy  
17 living.

18 SECTION 3. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so much  
20 thereof as may be necessary for fiscal year 2011-2012 and the  
21 same sum or so much thereof as may be necessary for fiscal year  
22 2012-2013 to pay for the provision of direct health care for the



1 uninsured at federally qualified health centers throughout the  
2 State, which may include primary medical, dental, and behavioral  
3 health care; provided that the distribution of funds may be on a  
4 "per visit" basis, and may include an additional per member per  
5 month quality incentive payment, taking into consideration the  
6 need on all islands.

7 The sums appropriated shall be expended by the department  
8 of health to provide resources to federally qualified health  
9 centers throughout the State for the provision of direct health  
10 care for uninsured persons.

11 SECTION 4. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$ or so much  
13 thereof as may be necessary for fiscal year 2011-2012 to be  
14 expended by the department of human services to restore basic  
15 adult dental benefits to medicaid enrollees. The department  
16 shall obtain the maximum federal matching funds available for  
17 this expenditure.

18 SECTION 5. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so much  
20 thereof as may be necessary for fiscal year 2011-2012 to be  
21 expended by the department of human services to comply with  
22 federal regulations requiring at least one outstationed



1 eligibility worker to be placed at every federally qualified  
2 health center site. The department shall obtain the maximum  
3 federal matching funds available for this expenditure.

4 SECTION 6. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$ or so much  
6 thereof as may be necessary for fiscal year 2011-2012 to be  
7 expended by the department of human services to provide outreach  
8 to families with children eligible for medicaid and Children's  
9 Health Insurance Program enrollment. The department shall  
10 obtain the maximum federal matching funds available for this  
11 expenditure.

12 SECTION 7. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$ or so much  
14 thereof as may be necessary for fiscal year 2011-2012 to be  
15 expended by the department of human services to provide outreach  
16 to families eligible for medicaid enrollment. The department  
17 shall obtain the maximum federal matching funds available for  
18 this expenditure.

19 SECTION 8. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so much  
21 thereof as may be necessary for fiscal year 2011-2012 to be





1 expended by the department of human services for the immigrant  
2 health initiative.

3 SECTION 9. 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 2011-2012 to be  
6 expended by the department of human services to establish an  
7 office to promote meaningful use and certify the eligibility of  
8 providers to obtain federal funds. The department shall obtain  
9 the maximum federal matching funds available for this  
10 expenditure.

11 SECTION 10. The following sums, or so much thereof as  
12 shall be sufficient to finance the projects listed in this  
13 section, are hereby appropriated out of the general revenues of  
14 the State of Hawaii for fiscal year 2011-2012.

15 1. Lanai Community Health Center, Lanai  
16 Design, construction, and  
17 acquisition of land for the  
18 construction of a new facility.

19 Total funding \$

20 2. Waianae Coast Comprehensive Health  
21 Center, Oahu



- 1 Design and construction of a new  
2 satellite site and renovations to  
3 existing facilities.  
4 Total funding \$
- 5 3. Hana Community Health Center, Maui  
6 Design and construction of a  
7 nutrition center, business dining  
8 center, and kupuna group home  
9 adult day care facility.  
10 Total funding \$
- 11 4. Kauai Community Health Center,  
12 Kauai  
13 Design and construction of a multi  
14 use facility in Kapaa.  
15 Total funding \$
- 16 5. Molokai Community Health Center,  
17 Molokai  
18 Renovations to existing facilities  
19 and buildings.  
20 Total funding \$
- 21 6. Kalihi Palama Health Center, Oahu



1 Acquisition, renovations, and  
2 equipment for a new facility.

3 Total funding \$

4 7. Pahoia Family Health Center, Hawaii  
5 Renovations to existing exam rooms.

6 Total funding \$

7 SECTION 11. The sums appropriated for the respective  
8 capital projects set forth in section 10 shall be expended by  
9 the department of health for the purposes of this Act.

10 SECTION 12. This Act shall take effect on July 1, 2050.



**Report Title:**

Department of Health; Department of Human Services; Federally Qualified Health Centers; Appropriation

**Description:**

Appropriates funds to the department of health and the department of human services to expand certain health care services to qualified individuals and to finance projects at designated federally qualified health centers throughout the State. Effective 7/1/2050. (SD3)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

