
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 department of
2 health's behavioral health administration is responsible for
3 planning, coordinating, and promoting statewide access to
4 integrated behavioral health services to reduce the biological,
5 social, psychological, and economic consequences of substance
6 use disorder, mental health disorders, and other behavioral
7 health conditions.

8 The legislature finds that fragmentation in the financing
9 and payment ecosystem of behavioral health and homelessness care
10 payers of state funding perpetuates disparity in monitoring
11 outcomes and results of services purchased by the State.
12 Further, the siloed manner in which state-funded services are
13 purchased in this area leads to: increased administrative
14 burdens on both providers and funders; disparity and inequity in
15 reimbursement rates paid for similar services with state funds;
16 difficulty in standardizing contracting, payment, evaluation



1 processes, and quality assurance metrics; and duplication of
2 effort at best, and waste of resources at worst.

3 As a result, patients receive uncoordinated care across a
4 variety of services by public providers, contracted providers,
5 and other private providers. The legislature further finds that
6 consumers and patients of behavioral health services should have
7 improved quality of behavioral health care through greater
8 integration, lower fragmentation of payment models, and standard
9 performance metrics.

10 The legislature also finds that Act 90, Session Laws of
11 Hawaii 2019, established the involuntary hospitalization task
12 force, and Act 263, Session Laws of Hawaii 2019, established a
13 working group to evaluate current behavioral health care and
14 related systems, including existing resources, systems gaps, and
15 identification of action steps that could be taken to improve
16 the overall system of care. The findings of these efforts
17 highlighted various gaps and identified action steps that could
18 be taken by the State to improve the coordination of the overall
19 system of care. Since then, the behavioral health
20 administration has made strides in implementing the



1 recommendations and closing service gaps, which is evident in
2 the expansion of the coordinated access resource entry system
3 (CARES) and the recent implementation of stabilization beds for
4 sub-acute care. However, there is still much work to be done if
5 the State is to realize the goal of a comprehensive coordinated
6 system of care for behavioral health and homelessness for
7 services purchased by the State, as State resources should be
8 used for services with optimal value and impact.

9 The legislature additionally finds that the legislature has
10 the ability to promote greater coordination and enhance recent
11 accomplishments through enacting legislation that requires more
12 formalized coordination of purchasing services with state
13 resources. Further, mandating such activities can facilitate
14 multi-sectoral coordination of state resources, and given the
15 current economic situation facing the State, it is in the
16 State's best interests to do so. Accordingly, the purpose of
17 this Act is to:

18 (1) Require executive programs that purchase social
19 services related to mental health, substance abuse,
20 and homelessness, to establish uniform baseline



H.B. NO. 541

- 1 performance metrics, evaluation standards, and
2 reimbursement rates;
- 3 (2) Require all community or private organizations that
4 purchase services for behavioral health, substance
5 abuse, or homelessness, at the request of any state
6 funding agency, to disclose the source of other
7 federal, state, or county-level funding it receives
8 for the purposes of performing such services; and
- 9 (3) Establish the state payor committee, to be led by the
10 department of health, to oversee and coordinate the
11 purchase of services and recommend approval or
12 rejection of the purchase of service contracts covered
13 by this Act.

14 SECTION 2. Chapter 103D Hawaii Revised Statutes, is
15 amended by adding two new sections to part III to be
16 appropriately designated and to read as follows:

17 "§103D-A Mental health, substance abuse, and homelessness
18 services. (a) All executive state agencies or programs that
19 purchase social services related to mental health, substance
20 abuse, and homelessness, shall establish uniform baseline



1 performance metrics and evaluation standards across all
2 contracts entered into for the purposes of purchasing such
3 services with state resources.

4 (b) All executive state agencies or programs shall
5 establish uniform reimbursement rates across all contracts
6 entered into for the purpose of purchasing behavioral health,
7 substance abuse, or homelessness services with state resources.

8 (c) All community or private organizations that purchase
9 services for behavioral health, substance abuse, or homelessness
10 services, at the request of any state funding agency, shall
11 disclose the source of any other federal, state, or county level
12 funding it receives for purposes of performing such services.

13 (d) Beginning July 1, 2021, no purchase of service
14 contracts for behavioral health, substance abuse, or
15 homelessness services using state resources shall be initiated,
16 renewed, or continued unless reviewed and approved by the state
17 payor committee, established pursuant to section 103D-B.

18 §103D-B State payor committee. (a) There is established
19 the state payor committee, which shall be composed of members
20 from any executive department or agency that purchases contracts



1 for the delivery of services related to substance abuse, mental
2 health, and homelessness with state resources.

3 (b) The director of health or the director's designated
4 representative shall serve as the administrative head of the
5 state payor committee.

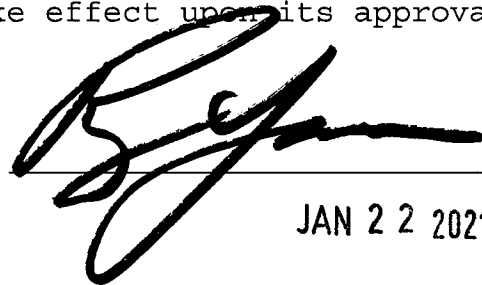
6 (c) The committee shall have oversight of the coordination
7 of the purchase of services and shall be responsible for
8 recommending approval or rejection of service contracts pursuant
9 to section 103D-A."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:



JAN 22 2021



H.B. NO. 541

Report Title:

Procurement; Service Contracts; Mental Health Services; Substance Abuse Services; Homelessness Services; Department of Health; State Payor Committee

Description:

Requires executive programs that purchase social services related to mental health, substance abuse, and homelessness to establish uniform baseline performance metrics, evaluation standards, and reimbursement rates. Requires all community or private organizations that purchase services for behavioral health, substance abuse, or homelessness, at the request of any state funding agency, to disclose the source of other federal, state, or county-level funding it receives for the purposes of performing such services. Establishes the state payor committee, to be administered by the director of the department of health, to oversee and coordinate the purchase of services and recommend approval or rejection of the purchase of contracts relating to mental health, substance abuse, or homelessness services.

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