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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. Their patient-centered delivery system features:  
17 comprehensive primary medical, behavioral health, and dental  
18 services; care management and enabling services that enhance  
19 access, compliance, and patient engagement; and focus on quality  
20 outcomes supported by electronic health records that conform to  
21 meaningful use requirements. Community health centers are also



1 a smart investment that results in healthier communities while  
2 saving the state money.

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

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

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



1 facilitating a healthier population, improving access to health  
2 care reduces state expenditures attributable to hospital and  
3 emergency room services for preventable injuries or illnesses.

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

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

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

21 (c) Accordingly, the purpose of this Act is to provide  
22 quality, cost-effective health care for Hawaii residents who are



1 uninsured, newly insured, underinsured, potential medicaid  
2 enrollees, or medicaid enrollees.

3 SECTION 2. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so much  
5 thereof as may be necessary for fiscal year 2014-2015 for the  
6 provision of direct health care for the uninsured and  
7 underinsured, 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 to provide resources to federally qualified community  
14 health centers for the provision of health care for uninsured  
15 and underinsured persons.

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



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

3           SECTION 4. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$           or so much  
5 thereof as may be necessary for fiscal year 2014-2015 to provide  
6 outreach and eligibility services, including medicaid and  
7 children's health insurance programs eligibility, for children,  
8 families, and individuals at federally qualified health centers;  
9 provided that no funds appropriated under this section shall be  
10 expended unless the department obtains the maximum federal  
11 matching funds available for this appropriation.

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

14           SECTION 5. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$           or so much  
16 thereof as may be necessary for fiscal year 2014-2015 to  
17 establish health care homes in medicaid as provided in the  
18 Patient Protection and Affordable Care Act; provided that no  
19 funds appropriated under this section shall be expended unless  
20 the department obtains the maximum federal matching funds  
21 available for this appropriation.



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

3           SECTION 6. There is appropriated out of the community  
4 health centers special fund the sum of \$           or so much  
5 thereof as may be necessary for fiscal year 2014-2015 to be  
6 transferred to the department of human services to establish  
7 health care homes for medicaid enrollees at federally qualified  
8 community health centers as provided in the Patient Protection  
9 and Affordable Care Act; provided that no funds appropriated  
10 under this section shall be expended unless the department  
11 obtains the maximum federal matching funds available for this  
12 appropriation.

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

15           SECTION 7. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$           or so much  
17 thereof as may be necessary for fiscal year 2014-2015 to provide  
18 behavioral health services at federally qualified community  
19 health centers.



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

3           SECTION 8. 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 care homes for medicaid enrollees. Effective July 1, 2050. (HB1752 HD1)

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