

---

---

# A BILL FOR AN ACT

RELATING TO LONG-TERM CARE FACILITIES.

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

1           SECTION 1. Long-term care facilities in the State face  
2 major financial challenges in providing quality health care for  
3 Hawaii residents. These challenges are largely the result of  
4 payments for medicaid enrollees that do not cover the actual  
5 costs of care. Long-term care facilities have not received  
6 inflationary updates to their reimbursement rates for a number  
7 of years due to the economic recession and, as such, have seen  
8 the gap between costs and reimbursements widen considerably.  
9 The financial effect is further magnified by the fact that  
10 roughly seventy per cent of patients in long-term care  
11 facilities are covered by the state medicaid program.

12           The purpose of this Act is to assess the need for annual  
13 inflationary adjustments to the long-term care reimbursement  
14 methodology used to reimburse facilities for medicaid  
15 recipients.

16           SECTION 2. The department of human services shall submit  
17 to the legislature a report on long-term care facilities every  
18 three years. The initial report shall be submitted no later



1 than June 30, 2018, and subsequent reports shall be submitted  
2 every three years thereafter.

3       The long-term care facilities report shall illustrate the  
4 shortfalls and financial challenges faced by long-term care  
5 facilities in the State as well as the impact of increasing the  
6 long-term care facility's provider-specific prospective payment  
7 rate. The report shall include annual fiscal year numbers  
8 demonstrating the cost to long-term care facilities of care for  
9 medicaid enrollees, reimbursement amounts for medicaid  
10 enrollees, shortfalls in reimbursement, and any additional costs  
11 that would be created by increasing the prospective payment rate  
12 for long-term care facilities.

13       SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

Long-term Care; Prospective Payment Rate.

**Description:**

Requires the department of human services to track the annual costs, reimbursements, and shortfalls that long-term care facilities experience due to the current long-term care reimbursement rate, as well as the potential impact of a reimbursement rate increase, and provide a report to the legislature every three years beginning in 2018. (SD1)

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

