

JAN 26 2022

A BILL FOR AN ACT

RELATING TO MEDICAID PATIENT CARE.

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

1 SECTION 1. The legislature finds that the coronavirus
2 disease 2019 (COVID-19) pandemic has created significant
3 staffing and financial strains for Hawaii's long-term care
4 facilities. Nursing facilities in the State continue to face
5 increased costs, reduced revenues, staff shortages, and other
6 challenges, making it difficult to maintain a high quality of
7 care. The legislature believes that these large and ongoing
8 pandemic-related losses are not sustainable for Hawaii's nursing
9 facilities and threaten the integrity of the State's healthcare
10 system.

11 The legislature recognizes that nursing facilities in the
12 State experienced additional costs and revenue losses as a
13 result of the pandemic, totaling \$50,000,000 in 2020 alone.
14 Lower occupancy rates led to almost \$21,000,000 in decreased
15 revenues, while nursing facilities additionally spent an
16 estimated \$27,000,000 on COVID-19 testing, personal protective
17 equipment, temporary staff to administer vaccinations and



1 boosters, supplies, and other pandemic-related expenses. These
2 costs continued in 2021 and 2022 as the State experienced surges
3 of the highly contagious delta and omicron variants of COVID-19.

4 The legislature also recognizes that the soaring cost of
5 labor during the pandemic has been especially damaging to
6 Hawaii's long-term care providers. According to the Healthcare
7 Association of Hawaii, labor costs account for approximately
8 seventy per cent of total costs for the State's nursing
9 facilities. Many nursing facilities have been forced to rely on
10 temporary staff from staffing agencies to compensate for staff
11 absences due to COVID-19 exposure or infection, employee
12 burnout, or employee attrition. The staffing agency fees have
13 added significantly to the facilities' cost of labor.

14 The legislature acknowledges that the State's nursing
15 facilities have received some federal assistance, including
16 approximately \$20,600,000 in provider relief fund payments.
17 However, these moneys only cover approximately thirty per cent
18 of the facilities' total pandemic-related losses. Additionally,
19 very little other federal funding was made available to cover
20 the costs of COVID-19 testing, personal protective equipment,
21 temporary staff for testing and vaccination, and other expenses,



1 and there are no plans or expectations that any additional
2 federal funds will be made available in the future.

3 Accordingly, the purpose of this Act is to help preserve
4 the financial viability of nursing facilities in the State by
5 providing a one-time enhanced payment of fifteen per cent to
6 each nursing facility caring for medicaid patients. The
7 legislature notes that this enhanced payment would be comparable
8 to the enhanced payments other states are offering to their
9 nursing facilities to assist with pandemic-related costs and
10 lost revenues.

11 SECTION 2. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$13,000,000 or so
13 much thereof as may be necessary for fiscal year 2022-2023 to
14 provide enhanced payments to nursing facilities caring for
15 medicaid patients; provided that the department of human
16 services shall obtain the maximum amount of federal matching
17 funds available for this expenditure.

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

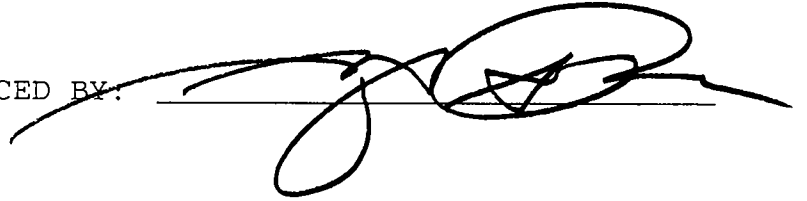


S.B. NO. 3236

1 SECTION 3. This Act shall take effect on July 1, 2022.

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INTRODUCED BY: _____

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Report Title:

Healthcare; Medicaid; Nursing Facilities; Pandemic;
Appropriation

Description:

Appropriates moneys to provide one-time enhanced payments of 15% to each nursing facility caring for Medicaid patients to assist with pandemic-related costs and lost revenues.

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