

REPORT TO THE THIRTIETH LEGISLATURE  
STATE OF HAWAII  
2019

PURSUANT TO SECTION 321-1.4, HAWAII REVISED STATUTES, REQUESTING THE DEPARTMENT OF HEALTH TO SUBMIT AN ANNUAL REPORT THAT OUTLINES THE STATUS OF THE OFFICE OF HEALTH CARE ASSURANCE SPECIAL FUND, INCLUDING THE AMOUNT OF MONEYS DEPOSITED INTO AND EXPENDED FROM THE FUND, AND SOURCES OF RECEIPTS AND USES OF EXPENDITURES

PREPARED BY:  
STATE OF HAWAII  
DEPARTMENT OF HEALTH  
DECEMBER 2018

## **EXECUTIVE SUMMARY**

In accordance with Section 321-1.4, HRS, the Department of Health is submitting a report to the 2019 Legislature that identifies the amount of moneys deposited into and expended from the Office of Health Care Assurance Special Fund and the sources of receipts and uses of expenditures.

Act 120, H.B. No. 1664 of the 1999 Legislative Session established the hospital and medical facilities special fund in order that moneys collected would be expended to assist in offsetting program expenses of the department's hospital and medical facilities branch. Act 188, H.B. No. 1357 of the 2001 Legislative Session amended the original intent of the special fund to offset educational program expenses and enhance the capacity of the program to improve public outreach efforts and consultations to industries regulated and educate the public, staff of the department, hospitals, nursing homes and care homes and industries regulated. Act 90, H.B. No. 1368 of the 2007 Legislative Session renamed the special fund to reflect the current name of the Office of Health Care Assurance (OHCA). It also requires that moneys collected by OHCA in the form of fees and fines be deposited into this account and allows the special fund to be used to offset OHCA's operational expenses.

The current balance as of June 30, 2018, is \$67,929.44.

**REPORT TO THE LEGISLATURE  
IN COMPLIANCE WITH SECTION 321-1.4, HRS**

**Introduction:**

The Department of Health (DOH) is committed to ensure the health, welfare and safety of all individuals receiving health care services in all settings in the State. In order to achieve this goal, the department has established minimal standards for licensure and certification that is monitored through inspections and investigations. As deficiencies are identified, the department provides consultation to correct deficient practices.

**Conclusion:**

Revenues were generated from licensure fees assessed to durable medical equipment (DME) suppliers when the DOH implemented the DME supplier licensure program pursuant to Act 137 SLH 2016 (formerly Senate Bill 2076) which was enacted on June 30, 2016. The DME suppliers' licensure program became effective on January 1, 2017.

The department has also established licensing fees on all other health care facilities in Hawaii and will begin to collect those fees during spring 2019. These fees will be deposited into the special fund and will be reflected in the DOH report to the 2020 legislature.

The department also implemented the Home Care Agency licensure program in August 2018. Licensing fees are collected for these licenses and will be reflected in the DOH report to the 2020 legislature.

Below is the balance as of June 30, 2018, excluding Home Care Agency licensing fees and other facilities' licensing fees.

<b>Beginning Balance (July 1, 2017)</b>	<b>Revenues</b>	<b>Cash Transfer</b>	<b>Expenditures/ Encumbrances</b>	<b>Balance (June 30, 2018)</b>
\$44,544.90	\$34,792.66	\$0.00	\$11,408.12	\$67,929.44