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# A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR THE DEVELOPMENTAL  
DISABILITIES DIVISION OF THE DEPARTMENT OF HEALTH.

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

1 SECTION 1. This Act is recommended by the governor for  
2 immediate passage in accordance with section 9 of article VII of  
3 the Constitution of the State of Hawaii.

4 SECTION 2. The purpose of this Act is to appropriate  
5 additional funds to the department of health for the State's  
6 medicaid title XIX programs, which include the developmental  
7 disabilities or mentally retarded home and community-based  
8 services and the medicaid state plan intermediate care  
9 facilities for the mentally retarded in the community program,  
10 to meet a critical funding emergency. The additional funds are  
11 necessary to support current clients and to reasonably admit  
12 individuals into the program to fulfill the developmental  
13 disabilities division's obligations under the settlement  
14 agreement in HDRC v. State, United States District Court, Civil  
15 No. 03-00524 HG-KSC, and comply with the United States Supreme  
16 Court's decision in Olmstead v. Zimring, 527 U.S. 581, 119 S.



1 Ct. 2176 (1999), and the requirements of chapter 333F, Hawaii  
2 Revised Statutes, to support people to live in the community.

3 The developmental disabilities interdepartmental transfer  
4 fund or U-fund ceiling constitutes a limit on the department of  
5 health's ability to receive federal medicaid reimbursements  
6 transferred from the department of human services back to the  
7 department of health. These funds are in turn reallocated for  
8 expenditures to make further claims for federal reimbursement.  
9 Once the department of health has exceeded the statutory  
10 limitation of the U-fund, the ability to expend the resources it  
11 receives is impaired. Therefore, the increase in the U-fund  
12 ceiling is now critically necessary to ensure timely expenditure  
13 of the general fund emergency appropriation contained in this  
14 measure.

15 SECTION 3. In accordance with section 9 of article VII, of  
16 the Constitution of the State of Hawaii and sections 37-91 and  
17 37-93, Hawaii Revised Statutes, the legislature has determined  
18 that the appropriations contained in this Act will cause the  
19 state general fund expenditure ceiling for fiscal year 2006-2007  
20 to be exceeded by \$4,980,523 or per cent. The reasons for  
21 exceeding the general fund expenditure ceiling are that the



1 appropriations made in this Act are necessary to serve the  
2 public interest and to meet the needs provided for by this Act.

3 SECTION 4. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$4,980,523 or so much  
5 thereof as may be necessary, for fiscal year 2006-2007 to carry  
6 out the purposes of this Act.

7 SECTION 5. There is appropriated out of the developmental  
8 disabilities interdepartmental transfer fund the sum of  
9 \$4,111,237 or so much thereof as may be necessary for fiscal  
10 year 2007-2008 to carry out the purposes of this Act.

11 SECTION 6. The sums appropriated in sections 4 and 5 shall  
12 be expended by the department of health.

13 SECTION 7. This Act shall take effect upon its approval.



**Report Title:**

Emergency Appropriation; DOH

**Description:**

Appropriates \$4,980,523 in general fund revenues as an emergency appropriation to enable the Developmental Disabilities Division (DDD) to meet state-approved target numbers under the current Medicaid home and community based service. (HB1371 HD1)

