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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. The legislature finds that medicaid is the  
2     cornerstone of health care for our most needy population.  
3     Furthermore, the legislature has previously recognized that it  
4     is in the public interest to ensure that health care payments  
5     made with state funds or controlled by the State are sufficient  
6     to cover the actual costs of care.

7           Hawaii's hospitals in particular have been hurt by the  
8     inadequacy of medicaid reimbursements and payments. Hawaii's  
9     hospitals have annually lost millions of dollars because  
10    government reimbursement falls far below the actual cost of  
11    providing medical care. Between 2003 and 2005, medicaid  
12    payments to hospitals covered only 73 to 78 per cent of total  
13    medicaid costs, creating a strain on the hospitals' financial  
14    stability.

15           Through the efforts of Hawaii's congressional delegation, a  
16    one-time federal medicaid disproportionate share hospital (DSH)  
17    appropriation of \$10,000,000 was secured for Hawaii for 2007.  
18    State funds are needed to match the federal DSH monies. The



1 combined funding will help meet the rising health care needs of  
2 our communities.

3 The purpose of this Act is to meet rising health care costs  
4 and ensure that Hawaii's residents have continued access to  
5 quality health care by appropriating funds for the State's  
6 portion of the federal disproportionate share hospital  
7 allowance.

8 SECTION 2. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$7,376,000 or so much  
10 thereof as may be necessary for fiscal year 2009-2010 for the  
11 State's portion of the federal disproportionate share hospital  
12 allowance.

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

15 SECTION 3. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

*John M. ...*  
*Tom Brown*

JAN 26 2009



**Report Title:**

Disproportionate Share Hospital Allowance; Appropriation

**Description:**

Appropriates funds for the State's portion of the federal disproportionate share hospital allowance.

