



GOV. MSG. NO. 1117

April 26, 2011

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on April 26, 2011, the following bill was signed into law:

SB1292 HD1

MAKING AN EMERGENCY APPROPRIATION TO  
THE DEPARTMENT OF HUMAN SERVICES FOR  
HEALTH CARE PAYMENTS  
**ACT 17 (11)**

Sincerely,

NEIL ABERCROMBIE  
Governor, State of Hawaii

---

---

**A BILL FOR AN ACT**

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FOR HEALTH CARE PAYMENTS.

**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 Hawaii State Constitution.

4           SECTION 2. A critical fiscal emergency exists. The number  
5 of medical assistance recipients in Hawaii has increased by  
6 approximately ten to twelve per cent yearly for the current and  
7 previous two fiscal years.

8           The purpose of this Act is to appropriate \$57,500,000 in  
9 general funds and \$96,400,000 in federal funds for an emergency  
10 appropriation for fiscal year 2010-2011 for health care payments  
11 (HMS 401) to address a funding shortfall in the Medicaid  
12 program.

13           This funding will ensure continued timely payments to  
14 contracted health plans and will ensure that there will be no  
15 disruption in the provision of medically necessary services to  
16 program recipients.



1 In addition, the Hawaii federal medical assistance  
2 percentage which sets the federal match for Medicaid funds will  
3 decrease from 62.63 per cent on June 30, 2011, to 51.79 per cent  
4 on July 1, 2011. If \$57,500,000 is not appropriated for the  
5 current 2010-2011 fiscal year, payments to the health plans must  
6 be deferred to the next fiscal year. The State will also lose  
7 federal funding because of the reduction in the federal medical  
8 assistance percentage on July 1, 2011, and \$6,000,000 will need  
9 to be paid with State general funds.

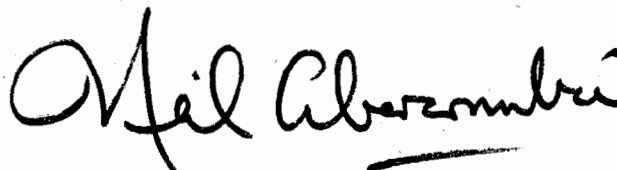
10 SECTION 3. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$57,500,000 or so  
12 much thereof as may be necessary for fiscal year 2010-2011 to be  
13 used for the health care payments program (HMS 401).

14 SECTION 4. There is appropriated out of federal Medicaid  
15 funds the sum of \$96,400,000 or so much thereof as may be  
16 necessary for fiscal year 2010-2011 for health care payments  
17 (HMS 401) as a federal match.

18 SECTION 5. The sums appropriated shall be expended by the  
19 department of human services for the purposes of this Act.

20 SECTION 6. This Act shall take effect upon its approval.

APPROVED this 26 day of APR, 2011



GOVERNOR OF THE STATE OF HAWAII