



GOV. MSG. NO. 1131

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

April 20, 2012

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

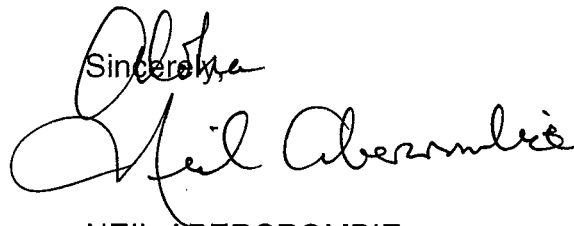
Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on April 20, 2012, the following bill was signed into law:

SB2808

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

**Act 031 (12)**

*Sincerely,*  


NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor  
on APR 20 2012

ACT 031

S.B. NO. 2808

JAN 25 2012

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## 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 Constitution of the State of Hawaii.

4 SECTION 2. A critical fiscal emergency exists. Projected  
5 funding shortfalls in key programs and in payroll made it  
6 necessary for the department of human services in the current  
7 fiscal year 2011-2012 to transfer \$11,431,375 in general funds  
8 from HMS 401, Health Care Payments, to HMS 301, HMS 902, HMS  
9 904, and HMS 236 to ensure that critical services would not have  
10 to be eliminated. The shortfalls were as follows:

- 11 (1) HMS 301, Child Protective Services, for purchase of  
12 service contracts to ensure the safety and well-being  
13 of children who have been abused and neglected and to  
14 support foster families;
- 15 (2) HMS 902, General Support for Health Care Payments, for  
16 general administrative costs. The reduction to HMS  
17 902 generated hardship within the Med-QUEST Division,

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- 1           which would have been unable to fund even basic  
2           supplies;
- 3           (3) HMS 904, General Administration for essential  
4           departmental information technology maintenance and  
5           support; and
- 6           (4) Payroll for HMS 236, Case Management for Self-  
7           Sufficiency Services; HMS 301, Child Protective  
8           Services; HMS 902, General Support for Health Care  
9           Payments; and HMS 904, General Administration. The  
10          payroll shortfalls were created by fiscal restraint  
11          reductions in the fiscal year 2011-2012 budget.

12          In addition, enrollment in Med-QUEST health care programs  
13          continued to increase in fiscal year 2011-2012, creating an  
14          additional shortfall of \$449,782 in HMS 401 for health care  
15          payments for fiscal year 2011-2012.

16          The transfer of funds from HMS 401 was approved by the  
17          governor pursuant to section 95 of Act 164, Session Laws of  
18          Hawaii 2011, which permits transfers of funds between programs  
19          within an expending agency.

20          The purpose of this Act is to appropriate \$11,881,157 in  
21          general funds for an emergency appropriation for fiscal year  
22          2011-2012 for health care payments (HMS 401) to address the  
23          funding shortfall in the Med-QUEST health care programs as the

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1 result of the transfer of funds in fiscal year 2011-2012 and  
2 increase in medicaid enrollment.

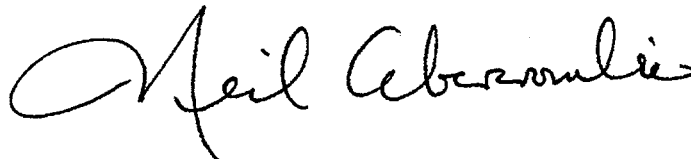
3 This funding will ensure continued timely payments to  
4 contracted health plans and will ensure that there will be no  
5 disruption in the provision of medically necessary services to  
6 program recipients.

7 SECTION 3. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$11,881,157, or so  
9 much thereof as may be necessary for fiscal year 2011-2012 to be  
10 used for health care payments (HMS 401).

11 SECTION 4. The sums appropriated shall be expended by the  
12 department of human services for the purposes of this Act.

13 SECTION 5. This Act shall take effect upon its approval.  
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APPROVED this 20 day of APR, 2012



GOVERNOR OF THE STATE OF HAWAII