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

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

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

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

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



**Report Title:**

Health Care Payments (HMS 401); Emergency Appropriation

**Description:**

Makes an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2010-2011 for health care payments (HMS 401) to address a funding shortfall in the Medicaid program. (HB1065 HD1)

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