

HMS TESTIFIER SIGN-UP SHEET

If you did not submit written testimony by ^{1:15}4:00 p.m. yesterday and would like to testify, please sign-up on this sheet. Testifiers will be taken in the order signed in.

BILL NO: SB2808

NAME	ORGANIZATION	POSITION (support/oppose)
Scott Wall		S

LATE

ChunOakland2 - Tyrell

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 9:02 AM
To: HMS Testimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2808 on 1/31/2012 1:10:00 PM

Categories: Red Category

Testimony for HMS 1/31/2012 1:10:00 PM SB2808

Conference room: 016
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 1/31/2012

Comments:



LATE

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

January 31, 2012

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2808 - MAKING AN EMERGENCY APPROPRIATION TO THE
DEPARTMENT OF HUMAN SERVICES FOR HEALTH CARE
PAYMENTS.**

Hearing: Tuesday, January 31 2012; 1:10 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to make an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2011-2012 to address the budget shortfall in for the health care payments program (HMS 401) in the Department of Human Services.

DEPARTMENT'S POSITION: The Department of Human Services strongly supports this Administration bill to appropriate \$11,881,157 in general funds for an emergency appropriation for fiscal year 2011-2012 for health care payments (HMS 401) to address a funding shortfall in the Medicaid program.

The budget approved for the Department of Human Services for the current fiscal year did not provide full funding for current year expenditures in key programs and in payroll. Projected funding shortfalls in these key programs and in payroll made it necessary for the Department of Human Services to transfer \$11,431,375 in general funds from HMS 401,

Health Care Payments, and \$314,233 in general fund savings from HMS 903, General Support for Self-Sufficiency, to these key programs and for payroll to ensure that critical services would not have to be eliminated. The shortfalls were as follows:

- (1) \$7,404,745 in HMS 301, Child Protective Services, for purchase of service contracts to ensure the safety and well-being of children who have been abused and neglected and to support foster families. These services include family strengthening, counseling, voluntary case management, multi-disciplinary team, foster home recruitment and licensing and other vital services to victims of child abuse and/or neglect and their families. The services are mandated by Federal and State statutes and court ordered in cases under the jurisdiction of the Family Court;
- (2) \$1,546,562 in HMS 902, General Support for Health Care Payments, for general administrative costs. Without the transfer from HMS 401, the Med-QUEST Division would not have been able to fund even basic supplies;
- (3) \$500,000 in HMS 904, General Administration, for essential departmental information technology maintenance and support; and
- (4) Payroll shortfalls created by fiscal restraint reductions in the fiscal year 2011-2012 of:
 - (a) \$677,508 in HMS 236, Case Management for Self-Sufficiency Services;
 - (b) \$604,745 in HMS 301, Child Protective Services;
 - (c) \$1,022,465 in HMS 902, General Support for Health Care Payments; and
 - (d) \$594,328 in HMS 904, General Administration.

This transfer of funds was approved by the Governor pursuant to section 95 of Act 164, Session Laws of Hawaii 2011, which permits transfers of funds between programs within an expending agency.

DHS requests the shortfall for the purchase of service contracts in HMS 301 enumerated above be amended. Further review of the shortfall numbers for HMS 301 show that the amount transferred for the purchase of service contracts should be \$6,800,000 not \$7,404,745. The \$7,404,745 for HMS 301 included the \$6,800,000 plus the payroll shortfall of \$604,745 in HMS 301. The total amount of the requested emergency appropriation, however, is still correctly \$11,881,157.

The \$314,233 transferred from HMS 903 is anticipated payroll savings. However, the transfer of the \$11,431,375 from HMS 401 has resulted in the Department not being able to cover payments to the Medicaid health plans and providers for this fiscal year 2011-2012. In addition, enrollment in the Medicaid programs, primarily in the QUEST program, continued to increase, resulting in a shortfall of another \$449,782 in general funds.

Without this emergency appropriation of general funds, payments to the Medicaid health care plans and providers will have to be deferred for one month at the end of the current fiscal year.

This emergency appropriation will mean that payments to health plans and providers will not need to be deferred. Continuing timely payments to health plans and providers from HMS 401 will ensure that there is no disruption in the provision of medically necessary services to program recipients.

We apologize for the confusion in the shortfall breakdowns stated for HMS 301.

Thank you for the opportunity to testify on this measure.