

NEIL ABERCROMBIE
GOVERNOR



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March 1, 2011

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means

FROM: Patricia McManaman, Interim Director

SUBJECT: **S.B. 425, S.D.2 – RELATING TO MEDICAID**

Hearing: Tuesday, March 1, 2011; 9:20 a.m.
Conference Room 211, Hawaii State Capitol

PURPOSE: The purpose of this bill is to create a wellness pilot program within Medicaid and to appropriate funds for the pilot program. This bill would also establish a Joint Legislative Task Force on Medicaid.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this bill to create a wellness pilot program. Creating evidence-based health and wellness alternatives that reduce incidence of chronic disease and support Medicaid recipients in maintaining healthier lifestyles is a laudable goal. However, given the State's fiscal situation, DHS does not support a new general fund appropriation at this time for a wellness pilot project when those funds could instead be used for other purposes such as preserving health care benefits.

Additionally, DHS has requested an emergency appropriation of \$57.5 million in general funds for the current fiscal year to cover the shortfall in the medical assistance program.

Thank you for the opportunity to provide testimony on this bill.

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