

JAN 24 2013

A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FROM THE HOSPITAL SUSTAINABILITY PROGRAM SPECIAL FUND.

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. Hospitals in the State face major financial
5 challenges in providing quality health care for Hawaii
6 residents, due in part to the care provided to medicaid
7 enrollees. Payments for these clients do not cover the actual
8 costs of care. To address this challenge, the hospital
9 sustainability program special fund was established by Act 217,
10 Session Laws of Hawaii 2012. Use of revenue from the hospital
11 sustainability program special fund includes increasing medicaid
12 payments to private hospitals. In order to avoid any delay in
13 payment to the hospitals for fiscal year 2012-2013, advancement
14 of moneys from the health care payments program (HMS 401) for
15 those payments to hospitals will be made until payments can be
16 made from the special fund.

S.B. NO. 1102

Report Title:

Emergency appropriation; Department of Human Services

Description:

Appropriates the sum of \$43,000,000, or so much thereof as may be necessary for fiscal year 2012-2013, out of the Hospital Sustainability Program Special Fund with such moneys to be used consistent with the Hospital Sustainability Program Special Fund, including the reimbursement of moneys advanced in fiscal year 2012-2013 from the health care payments program (HMS 401).

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Human Services

TITLE: A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FROM THE HOSPITAL SUSTAINABILITY PROGRAM SPECIAL FUND.

PURPOSE: To appropriate the sum of \$43,000,000, or so much thereof as may be necessary, for fiscal year 2012-2013, out of the Hospital Sustainability Program Special Fund with such moneys to be used consistent with the Hospital Sustainability Program Special Fund, including the reimbursement of moneys advanced in fiscal year 2012-2013 from the health care payments program (HMS 401).

MEANS: An emergency appropriation out of the Hospital Sustainability Program Special Fund.

JUSTIFICATION: Hospitals in the State face major financial challenges in providing quality health care for Hawaii residents due in part to the care provided to Medicaid enrollees. Payments for these clients do not cover the actual costs of care. To address this challenge, the Hospital Sustainability Program Special Fund was established in Act 217, Session Laws of Hawaii 2012. Use of revenue from the Hospital Sustainability Program Special Fund includes increasing Medicaid payments to private hospitals. In order to avoid any delay in payments to the hospitals for fiscal year 2012-2013, advancement of moneys from the health care payments program (HMS 401) for those payments to hospitals will be made until payments can be made from the special fund.

This emergency appropriation will ensure continued timely payments to the hospitals and will ensure that there will be no

disruption in the provision of medically necessary services to program recipients.

Impact on the public: This emergency appropriation will ensure continued timely payments to the hospitals and will ensure that there will be no disruption in the provision of medically necessary services to program recipients.

Impact on the department and other agencies: The Department of Human Services will be able to provide extra funding to the private hospitals as required by Act 217 without jeopardizing services to its medical assistance recipients by having to pay for the sustainability funds out of funds budgeted for its Medicaid programs.

GENERAL FUND: None.

OTHER FUNDS: \$43,000,000, or so much thereof as may be necessary for fiscal year 2012-2013, out of the Hospital Sustainability Program Special Fund.

PPBS PROGRAM DESIGNATION: HMS 401.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.