

JAN 24 2013

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# A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FROM THE NURSING FACILITY 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. Nursing facilities in the State face major  
5 financial challenges in providing quality health care for Hawaii  
6 residents due largely in part to the cost of care provided to  
7 medicaid enrollees. Payments for these clients do not cover the  
8 actual costs of care. To address this challenge, the nursing  
9 facility sustainability program special fund was established by  
10 Act 156, Session Laws of Hawaii 2012. Use of revenue from the  
11 nursing facility sustainability program special fund includes  
12 increasing medicaid payments to private nursing facilities. In  
13 order to avoid any delay in payment to the nursing facilities  
14 for fiscal year 2012-2013, advancement of moneys from the health  
15 care payments program (HMS 401) for those payments to private  
16 nursing facilities will be made until payments can be made from  
17 the special fund.

S.B. NO. 1103

1           This emergency appropriation will ensure continued timely  
2 payments to the nursing facilities and will ensure that there  
3 will be no disruption in the provision of medically necessary  
4 services to program recipients.

5           SECTION 3. There is appropriated out of the nursing  
6 facility sustainability program special fund the sum of  
7 \$12,000,000, or so much thereof as may be necessary, for fiscal  
8 year 2012-2013, with such moneys to be used consistent with the  
9 uses authorized for the nursing facility sustainability program  
10 special fund, including the reimbursement of moneys advanced for  
11 those purposes in fiscal year 2012-2013 from the health care  
12 payments program (HMS 401).

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

15           SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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BY REQUEST

**Report Title:**

Emergency Appropriation; Nursing Facility Sustainability Program  
Special Fund

**Description:**

Appropriates the sum of \$12,000,000, or so much thereof as may be necessary for fiscal year 2012-2013, out of the Nursing Facility Sustainability Program Special Fund with such moneys to be used consistent with the Nursing Facility Sustainability Program Special Fund, including the reimbursement of moneys advanced for those purposes 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 NURSING FACILITY SUSTAINABILITY PROGRAM SPECIAL FUND.

PURPOSE: To appropriate the sum of \$12,000,000, or so much thereof as may be necessary, for fiscal year 2012-2013 out of the Nursing Facility Sustainability Program Special Fund with such moneys to be used consistent with the uses authorized for the Nursing Facility 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 Nursing Facility Sustainability Program Special Fund.

JUSTIFICATION: Nursing facilities in the State face major financial challenges in providing quality health care for Hawaii residents due largely in part to the cost of care provided to Medicaid enrollees. Payments for these clients do not cover the actual costs of care. To address this challenge, the Nursing Facility Sustainability Program Special Fund was established by Act 156, Session Laws of Hawaii 2012. Use of revenue from the Nursing Facility Sustainability Program Special Fund includes increasing Medicaid payments to private nursing facilities. In order to avoid any delay in payment to the nursing facilities for fiscal year 2012-2013, advancement of moneys from the health care payments program (HMS 401) for those payments to private nursing facilities will be made until payments can be made from the special fund.

This emergency appropriation will ensure continued timely payments to the nursing facilities 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 nursing facilities 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 nursing facilities as required by Act 156 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: \$12,000,000, or so much thereof as may be necessary for fiscal year 2012-2013, out of the Nursing Facility Sustainability Program Special Fund.

PPBS PROGRAM DESIGNATION: HMS 401.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.