

STAND. COM. REP. NO.

2682

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2842
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2842, S.D. 1, entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FOR THE MED-QUEST DIVISION,"

begs leave to report as follows:

The purpose and intent of this measure is to make an emergency appropriation to the Department of Human Services to address the budget shortfall in the Medicaid program resulting from a delay in reimbursement.

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee finds that the Department of Human Services provided funding and services to the Hawaii Health Connector to develop components of the health insurance exchange to be in compliance with the federal Patient Protection and Affordable Care Act with the understanding that the Hawaii Health Connector would reimburse the Department of Human Services through the Hawaii Health Connector's own federal funds. The current balance outstanding due to the Department of Human Services from the Hawaii Health Connector is \$4,854,037. Your Committee further finds that while the Department of Human Services' loaned funds are encumbered, it is unable to use these funds for its core operations. This measure will provide funds to ensure that the Department of Human Services is able to fund its core operations and continue to serve its beneficiaries.

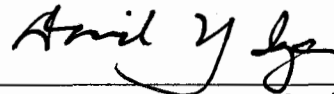
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Your Committee has amended the measure to require that any moneys received by the Department of Human Services from the Hawaii Health Connector as a reimbursement for the loaned funds will lapse to the credit of the general fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2842, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



