
A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION TO THE HAWAII HEALTH SYSTEMS CORPORATION.

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. The purpose of this Act is to make an emergency
5 appropriation to provide funds for the functions of the Hawaii
6 health systems corporation and its regions. Without an
7 emergency appropriation, Hawaii health systems corporation
8 health care operations will be severely impacted, and the impact
9 will place the health care of the residents and visitors of the
10 State in jeopardy. This funding is necessary because the Hawaii
11 health systems corporation was not fully funded for negotiated
12 and arbitrated pay raises for fiscal year 2014-2015 and 2015-
13 2016.

14 SECTION 3. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$21,000,000, or so
16 much thereof as may be necessary, for fiscal year 2014-2015 for

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1 the purpose of supporting the functions of the Hawaii health
2 systems corporation.

3 The sum appropriated shall be expended by the Hawaii health
4 systems corporation for the purposes of this Act.

5 SECTION 4. This Act shall take effect upon its approval.

6
7 INTRODUCED BY:



8 BY REQUEST

9 JAN 26 2015

Report Title:

Hawaii Health Systems Corporation

Description:

Makes an emergency appropriation to the Hawaii Health Systems Corporation.

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: Health (Hawaii Health Systems Corporation)

TITLE: MAKING AN EMERGENCY APPROPRIATION TO THE HAWAII HEALTH SYSTEMS CORPORATION.

PURPOSE: Make an emergency appropriation to the Hawaii Health Systems Corporation to fund facilities operations.

MEANS: Emergency appropriation.

JUSTIFICATION: The Hawaii Health Systems Corporation (HHSC) needs \$21,000,000 to fund the collective bargaining raises approved by the legislature but not funded in the previous two fiscal years. The impact on HHSC's fiscal status in fiscal year 2015-2016 due to the lack of general funding for the collective bargaining raises has been significant. HHSC is faced with a huge cash flow deficits, increased days in accounts payable, and will not be able to sustain all current services and operations unless funding is received. HHSC is facing significant shortfalls if funding is not restored due to the anticipation of a loss of revenues when the new provider payment coding system (ICD 10) is implemented October 1, 2015 and other circumstances, such as the increase in the fringe benefit rate to 52% in fiscal year 2016-2017.

The general fund appropriation included in this measure has been proposed with consideration of the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular session of 2014, there is still a margin of \$20,838,402 between the Executive Branch appropriation ceiling and currently

authorized appropriations for fiscal year 2014-2015. However, total funding in emergency appropriation measures submitted to the Legislature will result in the appropriation ceiling for the Executive Branch to be exceeded in fiscal year 2014-2015. Because of the uncertainty in the order in which these measures will be enacted, it is being assumed that the funding requested in this measure, to fund the collective bargaining raises approved by the legislature but not funded in the previous two fiscal years, will result in the appropriation ceiling for the Executive Branch to be exceeded in fiscal year 2014-2015 by \$21,000,000 or .0033 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2014-2015 in this measure only, and does not include other general fund appropriations for fiscal year 2014-2015 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2015.

Impact on the public: None.

GENERAL FUND: \$21,000,000.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: HTH 210.

OTHER AFFECTED
AGENCIES: Department of Budget and Finance.

EFFECTIVE DATE: Upon approval.