

**ACT 32**

S.B. NO. 2858

A Bill for an Act Making an Emergency Appropriation for the State Medical Assistance Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. Act 91, Session Laws of Hawaii 1999, appropriated a sum of money to the department of human services to provide funds for the medical assistance program under the department's Med-Quest division for the fiscal period beginning July 1, 1999 and ending June 30, 2000.

A critical funding emergency exists. The medical assistance program, also known as the medicaid program and which serves the aged, blind, and disabled population, will expend all appropriated funds before the end of the current fiscal year and the department will be unable to meet its fiscal obligation to provide health

care services to medicaid recipients. The escalating cost of nursing facility care and the continued rise in the cost of new pharmaceutical drugs are primary contributing factors to this financial situation. The extent of the increase in costs was not anticipated and reflects an unusually high escalation over the previous year.

To prevent the reduction or discontinuance of direct medical services for medicaid recipients, additional funds are urgently needed.

SECTION 3. There is appropriated or authorized from the sources of funding indicated below the following sums, or so much thereof as may be necessary, for the fiscal year 1999-2000, and to be used for health care payments for aged, blind, and disabled medicaid recipients:

|                      |             |
|----------------------|-------------|
| General Funds:       | \$4,075,000 |
| Other Federal Funds: | \$4,243,025 |

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

SECTION 6. This Act shall take effect upon its approval.

(Approved April 20, 2000.)