



GOV. MSG. NO. 129

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

January 28, 2003

The Honorable Robert Bunda
President of the Senate
Twenty-Second State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President:

In accordance with Section 9, Article VII of the Constitution of the State of Hawaii, I am requesting your immediate consideration and passage of Senate Bill No. 1353. Act 259, Session Laws of Hawaii 2001, appropriated a certain designated sum to the department of human services to provide funds for the medical assistance program under the Med-QUEST division for the fiscal period beginning July 1, 2002, and ending June 30, 2003.

A critical funding emergency exists. The medical assistance program, also known as the Medicaid program, 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 and health-related services to the Medicaid recipients who are aged, blind, or disabled. Significant growth in recipients under the Hawaii QUEST program and increased utilization and cost of prescription drugs in the fee-for-service program are the primary contributing factors to this financial situation. The recipient growth is largely due to the State's economic situation caused by the events of September 11, 2001, and was not anticipated during the previous budget periods.

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

There is appropriated or authorized from the sources of funding indicated below the following sums, or so much thereof as may be necessary for fiscal year 2002-2003, and to be used for health care payments to health plans and medical providers:

General Funds:	\$22,726,806
Other Federal Funds:	\$61,138,392

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We appreciate your prompt attention to this matter. The Department of Budget and Finance will be available to answer any questions you may have on this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle", with a stylized flourish at the end.

LINDA LINGLE

cc: The Honorable Brian T. Taniguchi