
A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR THE DEVELOPMENTAL
DISABILITIES DIVISION OF THE DEPARTMENT OF HEALTH.

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 appropriate
5 additional funds to the department of health for the State's
6 medicaid title XIX programs, which include the developmental
7 disabilities or mentally retarded home and community-based
8 services and the medicaid state plan intermediate care
9 facilities for the mentally retarded in the community program,
10 to meet a critical funding emergency. The additional funds are
11 necessary to support current clients and to reasonably admit
12 individuals into the program to fulfill the developmental
13 disabilities division's obligations under the settlement
14 agreement in *HDRC v. State*, United States District Court, Civil
15 No. 03-00524 HG-KSC, and comply with the United States Supreme
16 Court's decision in *Olmstead v. Zimring*, 527 U.S. 581, 119 S.



1 Ct. 2176 (1999), and the requirements of chapter 333F, Hawaii
2 Revised Statutes, to support people to live in the community.

3 The developmental disabilities interdepartmental transfer
4 fund or U-fund ceiling constitutes a limit on the department of
5 health's ability to receive federal medicaid reimbursements
6 transferred from the department of human services back to the
7 department of health. These funds are in turn reallocated for
8 expenditures to make further claims for federal reimbursement.
9 Once the department of health has exceeded the statutory
10 limitation of the U-fund, the ability to expend the resources
11 that it receives is impaired. Therefore, the increase in the U-
12 fund ceiling is now critically necessary to ensure timely
13 expenditure of the general fund emergency appropriation
14 contained in this measure.

15 SECTION 3. In accordance with section 9 of article VII of
16 the Constitution of the State of Hawaii and sections 37-91 and
17 37-93, Hawaii Revised Statutes, the legislature has determined
18 that the general fund expenditure ceiling for fiscal year 2006-
19 2007 has already been exceeded by \$90,137,694 or 1.68 per cent.
20 The appropriations contained in this Act will cause the state
21 general fund expenditure ceiling for fiscal year 2006-2007 to be
22 exceeded by an additional \$4,980,523, or an additional 0.093 per



1 cent. The calculation contained in the foregoing sentence
2 relates only to the amount of general funds appropriated in this
3 Act for fiscal year 2006-2007. The reasons for exceeding the
4 general fund expenditure ceiling are that the appropriations
5 made in this Act are necessary to serve the public interest and
6 to meet the needs provided for by this Act.

7 SECTION 4. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$4,980,523 or so much
9 thereof as may be necessary for fiscal year 2006-2007 to carry
10 out the purposes of this Act.

11 SECTION 5. There is appropriated out of the developmental
12 disabilities interdepartmental transfer fund the sum of
13 \$4,111,237 or so much thereof as may be necessary for fiscal
14 year 2006-2007 to carry out the purposes of this Act.

15 SECTION 6. The sums appropriated in sections 4 and 5 shall
16 be expended by the department of health.

17 SECTION 7. This Act shall take effect upon its approval.



Report Title:

Emergency Appropriation; DOH

Description:

Appropriates \$4,980,523 in general fund revenues and \$4,111,237 from the Developmental Disabilities Interdepartmental Transfer Fund as an emergency appropriation to enable the Developmental Disabilities Division (DDD) to meet state-approved target numbers under the current Medicaid home and community based service and ensure the receipt of federal Medicaid reimbursements. (HB1371 HD2)

