

ACT 4

S.B. NO. 1713

A Bill for an Act Making Emergency Appropriations for Operating Expenses 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. In accordance with Section 9 of Article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 1992-1993 to be exceeded by \$35,250,924, or 1.13 per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriation made in this Act is necessary to serve the public interest and to meet the needs provided for by this Act.

SECTION 3. Act 300, Session Laws of Hawaii 1992, appropriated a certain designated sum to the department of human services to provide funds for the medical assistance program under the division of health care administration for the fiscal period beginning July 1, 1992, and ending June 30, 1993.

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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 division will be unable to meet its fiscal obligation to provide health and health-related services to Medicaid recipients. The increase in health care costs in Hawaii and an increasing service utilization rate are the primary contributing factors to this financial situation. Health care reimbursements have increased, on the average, in excess of twelve per cent over the level of expenditures of the previous year. The extent of the increase in costs was not anticipated and reflects an unusually high escalation.

Additional funds are urgently needed to prevent the reduction or discontinuance of direct services.

SECTION 4. There are hereby appropriated or authorized from the sources of funding indicated below the following sums, or so much thereof as may be necessary for fiscal year 1992-1993, to be used for health care payments to medical assistance providers.

General Funds:	\$35,250,924
Other Federal Funds	\$12,336,347

SECTION 5. The sums appropriated or authorized 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 7, 1993.)