

ACT 80

H.B. NO. 3021

A Bill for an Act Making an Emergency Appropriation for the Hawaii Health Systems Corporation.

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. The legislature did not appropriate any general funds for the operation of community hospitals for the fiscal period beginning July 1, 1995, and ending June 30, 1997. The legislature did appropriate \$12,000,000 of emergency funding for the fiscal year ending June 30, 1997, from an original request of \$21,000,000. The legislature also appropriated \$8,000,000 in general funds from an original request of \$15,500,000 for the fiscal year ending June 30, 1998.

A critical funding emergency continues to exist. The program will expend all special funds before the end of the fiscal year and will be unable to meet its fiscal obligation to provide services to members of the general public who need hospital-based services provided by the community hospital system. The Hawaii health

systems corporation has achieved millions of dollars in cost reductions in the community hospitals but has not been able to completely eliminate the deficit incurred while maintaining levels of services, including uncompensated care and mandated services. No cost saving changes were made by Act 262, Session Laws of Hawaii 1996, to the personnel system, which constitutes a large proportion of the expenditures of the community hospitals.

The purpose of this Act is to appropriate an additional \$5,000,000 in general funds for fiscal year 1998 to prevent the reduction or discontinuance of services provided by the community hospitals.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$5,000,000 or so much thereof as may be necessary for fiscal year 1997-1998 to carry out the purposes set forth in Act 262, Session Laws of Hawaii 1996.

SECTION 4. The sum appropriated shall be expended by the Hawaii health systems corporation.

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

(Approved May 19, 1998.)