

ACT 131

H.B. NO. 104

A Bill for an Act Relating to Health.

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

SECTION 1. The legislature finds that medicaid is the cornerstone of health care for our most needy population. Further, the legislature has previously recognized that it is in the public interest to ensure that health care payments made with state funds or controlled by the State are sufficient to cover the actual costs of care.

Hawaii's hospitals in particular have been detrimentally affected by the inadequacy of medicaid reimbursements and payments. Hawaii's hospitals have annually lost millions of dollars because government reimbursement is far below the cost of providing medical care. Between 2003 and 2005, medicaid payments to hospitals covered only seventy-three to seventy-eight per cent of total medicaid costs, creating a strain on the hospitals' financial stability.

Through the efforts of Hawaii's senatorial delegation, a one-time federal medicaid disproportionate share hospital (DSH) appropriation of \$10,000,000 has been secured for Hawaii for 2007. State funds are needed to match the federal DSH monies. The combined funding will help meet the rising health care needs of our communities.

The purpose of this Act is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by appropriating funds for the State's portion of the federal disproportionate share hospital allowance.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$7,376,000 or so much thereof as may be necessary for fiscal year 2007-2008 for the State's portion of the federal disproportionate share hospital allowance.

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

SECTION 3. This Act shall take effect on July 1, 2007.

(Approved June 5, 2007.)