

ACT 203

H.B. NO. 2084

A Bill for an Act Relating to the Federal Disproportionate Share Hospital Funds.

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

SECTION 1. The legislature has historically recognized the importance of making Medicaid coverage available for the State's most vulnerable populations and has acted to ensure that health care payments made with state funds or controlled by the State are sufficient to cover the actual costs of the care provided. Through the continued efforts of Hawaii's congressional delegation, a federal Medicaid disproportionate share hospital appropriation of \$15,000,000 has been secured for Hawaii. These funds cannot be expended without a matching state appropriation. Together, the combined state and federal funding will help to provide continuing health care in our communities.

In 2009, the legislature overrode the governor's veto of a bill that appropriated the state matching funds. That bill became Act 23, Special Session Laws of Hawaii 2009. To date, the governor has not released the state funds while the federal funds remain available to Hawaii.

The legislature finds that the \$15,000,000 in federal funds consists of \$2,500,000 appropriated for the fourth quarter of federal fiscal year 2008,

\$10,000,000 for federal fiscal year 2009, and \$2,500,000 for the first quarter of federal fiscal year 2010.

The amount of the state match is dependent upon the federal medical assistance percentage in the year the funds are spent. For 2010, the percentage is 54.24 per cent, with the State obligated to provide the remaining 45.76 per cent of the total funding, which is \$12,654,867.

The purpose of this Act is to extend until June 30, 2011, the lapsing of the appropriation authorized by Act 23, Special Session Laws of Hawaii 2009, so that previously allocated but unused funds will act as matching funds to secure critical federal funding.

SECTION 2. Act 23, Special Session Laws of Hawaii 2009, is amended by amending section 2 to read as follows:

“SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$12,291,054 or so much thereof as may be necessary for fiscal year 2009-2010 to match the federal disproportionate share hospital allowance allocated to the State; provided that some appropriated funds may be used to obtain matching federal disproportionate share hospital allowance for prior fiscal year expenditures by the State[-]; provided further that the sum appropriated shall not lapse until June 30, 2011.”

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

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Became law on July 6, 2010, without the governor's signature, pursuant to Art. III, §16, State Constitution.)