

ACT 31

S.B. NO. 2808

A Bill for an Act Making an Emergency Appropriation to the Department of Human Services for Health Care Payments.

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. A critical fiscal emergency exists. Projected funding shortfalls in key programs and in payroll made it necessary for the department of human services in the current fiscal year 2011-2012 to transfer \$11,431,375 in general funds from HMS 401, Health Care Payments, to HMS 301, HMS 902, HMS 904, and HMS 236 to ensure that critical services would not have to be eliminated. The shortfalls were as follows:

- (1) HMS 301, Child Protective Services, for purchase of service contracts to ensure the safety and well-being of children who have been abused and neglected and to support foster families;
- (2) HMS 902, General Support for Health Care Payments, for general administrative costs. The reduction to HMS 902 generated hardship within the Med-QUEST Division, which would have been unable to fund even basic supplies;
- (3) HMS 904, General Administration for essential departmental information technology maintenance and support; and
- (4) Payroll for HMS 236, Case Management for Self-Sufficiency Services; HMS 301, Child Protective Services; HMS 902, General Support for Health Care Payments; and HMS 904, General Administration. The payroll shortfalls were created by fiscal restraint reductions in the fiscal year 2011-2012 budget.

In addition, enrollment in Med-QUEST health care programs continued to increase in fiscal year 2011-2012, creating an additional shortfall of \$449,782 in HMS 401 for health care payments for fiscal year 2011-2012.

The transfer of funds from HMS 401 was approved by the governor pursuant to section 95 of Act 164, Session Laws of Hawaii 2011, which permits transfers of funds between programs within an expending agency.

The purpose of this Act is to appropriate \$11,881,157 in general funds for an emergency appropriation for fiscal year 2011-2012 for health care payments (HMS 401) to address the funding shortfall in the Med-QUEST health care programs as the result of the transfer of funds in fiscal year 2011-2012 and increase in medicaid enrollment.

This funding will ensure continued timely payments to contracted health plans and will ensure that there will be no disruption in the provision of medically necessary services to program recipients.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$11,881,157, or so much thereof as may be necessary for fiscal year 2011-2012 to be used for health care payments (HMS 401).

SECTION 4. The sums appropriated shall be expended by the department of human services for the purposes of this Act.

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

(Approved April 20, 2012.)