



GOV. MSG. NO. 1052

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 10, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith HB436 HD1 SD1 CD1, without my approval, and with the statement of objections relating to the measure.

HB436 HD1 SD1 CD1

A BILL FOR AN ACT RELATING TO HUMAN
SERVICES.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

P R O C L A M A T I O N

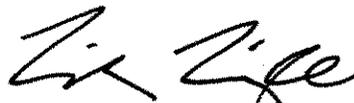
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 436, entitled "A Bill for an Act Relating to Human Services," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 436 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, LINDA LINGLE, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 436 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 25th
day of June, 2007.



LINDA LINGLE
Governor of Hawaii

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 436

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 436, entitled "A Bill for an Act Relating to Human Services."

The purpose of this bill is to create a new section in chapter 346, Hawaii Revised Statutes, which would require the Department of Human Services (DHS) to cover chiropractic services for persons who receive Medicaid QUEST or fee-for-service benefits.

This bill is objectionable because of the precedent it sets in codifying a benefit into statute, thereby making it mandatory. Services provided under Medicaid QUEST and fee-for-service plans have been made part of the plan via submission of a State Plan amendment with the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, and appropriating the requisite State matching funds.

Because this bill takes the approach of adding the benefit in State law, making chiropractic coverage a statutorily

STATEMENT OF OBJECTIONS
HOUSE BILL NO. 436
Page 2

mandated benefit, doing so obligates the State to pay for this coverage without prescribed limits, since none are set in this bill. This jeopardizes other optional benefits if utilization rates for the mandatory benefits are higher than budgeted projections.

Additionally, there are significant potential fiscal implications for the Medicaid health system if chiropractic services are added.

Accordingly, I am returning House Bill No. 436 without my approval.

Respectfully,



LINDA LINGLE
Governor of Hawaii

A BILL FOR AN ACT

RELATING TO HUMAN SERVICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§346- Chiropractic coverage under medical assistance
5 programs. (a) For purposes of medical assistance programs,
6 including medicaid and QUEST under section 346-14(7),
7 chiropractic, as defined in section 442-1, administered by a
8 person licensed to practice chiropractic under section 442-2,
9 shall be covered; provided that the department may negotiate
10 rates, or establish payment and reimbursement rates, as
11 appropriate.

12 (b) Notwithstanding any law to the contrary, the
13 department shall make appropriate adjustments to the rate of
14 payment per participating recipient amount paid to health
15 maintenance organizations and prepaid health plans pursuant to
16 section 346-59(d), to allow for chiropractic coverage to QUEST
17 recipients for chiropractic, as defined in section 442-1,
18 administered by a person licensed to practice chiropractic under



1 section 442-2. Health maintenance organizations and prepaid
2 health plans shall not be required to increase coverage to QUEST
3 recipients for chiropractic coverage administered to QUEST
4 recipients for chiropractic, as defined in section 442-1,
5 administered by a person licensed to practice chiropractic under
6 section 442-2, until the department makes adjustments to the
7 rate of payment per participating recipient amounts."

8 SECTION 2. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$1,000,000 or so much
10 thereof as may be necessary for fiscal year 2007-2008 and the
11 same sum or so much thereof as may be necessary for fiscal year
12 2008-2009 for the purposes of section 1 of this Act.

13 The sums appropriated shall be expended by the department
14 of human services for the purposes of section 1 of this Act.

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on January 1, 2008;
17 provided that section 2 shall take effect on July 1, 2007.

