

STAND. COM. REP. NO. **2075**

Honolulu, Hawaii

**FEB 05 2014**

RE: S.B. No. 2842  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred S.B. No. 2842 entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FOR THE MED-QUEST DIVISION,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate \$6,020,727 in general funds as an emergency appropriation to the Department of Human Services for general support for health care payments to address the funding shortfall in the Medicaid program resulting from a delay in reimbursement.

Your Committee received testimony in support of this measure from the Department of Human Services, Community Alliance for Mental Health, and one individual. Your Committee received comments on this measure from the Hawaii Health Connector.

Your Committee finds that the Department provided services and funding to the Hawaii Health Connector to develop components of the health insurance exchange required by the Patient Protection and Affordable Care Act. The services and funding provided, along with a mandatory 5.25 percent cost allocation for the Medicaid Kauhale On-Line Eligibility Assistance system, were paid for with general funds with the understanding that the Hawaii Health Connector would reimburse the Department through the Hawaii Health Connector's own federal funds. As of November 1, 2013, the costs owed to the Department totaled \$6,020,727. While



encumbered, the Department is unable to use these funds for other purposes and cannot fund its core operations.

Your Committee received testimony from the Department of Human Services indicating that, since the original emergency appropriation request, the Hawaii Health Connector has reimbursed the Department for some of the services and monies provided by the Department. Your Committee finds that the Department has been reimbursed for the following:

- (1) Work performed that would have allowed Connector system functionality so individuals could browse for and select qualified health plans for both Medicaid and the Connector at the same time;
- (2) Work performed on the transition necessary to revise the Connector system to separate the browsing and selection functions for Medicaid and the Connector when the design was changed; and
- (3) Work performed to allow the Connector to interface with the state data services hub.

Accordingly, your Committee has amended this measure by:

- (1) Adding language reflecting the services and corresponding amounts for which the Department of Human Services has recently been reimbursed;
- (2) Amending the appropriation to \$4,854,037 to reflect the \$1,166,690 the Department has recently received from the Hawaii Health Connector; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Human Services,


*Suzanne Chun Oakland*

SUZANNE CHUN OAKLAND, Chair



The Senate  
Twenty-Seventh Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Human Services**  
**HMS**

Bill / Resolution No.:* <b>SB 2842</b>	Committee Referral: <b>HMS, WAM</b>	Date: <b>11/30/14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
CHUN OAKLAND, Suzanne (C)	✓			
GREEN, Josh (VC)	✓			
KIDANI, Michelle N.				✓
TANIGUCHI, Brian T.	✓			
SLOM, Sam				✓
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes