



GOV. MSG. NO. 889

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

June 5, 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:

This is to inform you that on June 5, 2007, the following bill was signed into law:

HB104 HD2 SD2 CD1

A BILL FOR AN ACT RELATING TO HEALTH.
(ACT 131)

Sincerely,

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

LINDA LINGLE

Approved by the Governor

on JUN 5 2007

HOUSE OF REPRESENTATIVES
TWENTY-FOURTH LEGISLATURE, 2007
STATE OF HAWAII

ACT 131

H.B. NO. 104
H.D. 2
S.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO HEALTH.

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

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

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

15 Through the efforts of Hawaii's senatorial delegation, a
16 one-time federal medicaid disproportionate share hospital (DSH)
17 appropriation of \$10,000,000 has been secured for Hawaii for
18 2007. State funds are needed to match the federal DSH monies.

HB104 CD1 HMS 2007-4147



1 The combined funding will help meet the rising health care needs
2 of our communities.


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

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

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

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

APPROVED this 5 day of JUN , 2007



GOVERNOR OF THE STATE OF HAWAII

