

# **SB 1102**

Measure Title: MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FROM THE HOSPITAL SUSTAINABILITY PROGRAM SPECIAL FUND.

Report Title: Emergency appropriation; Department of Human Services

Description: Appropriates the sum of \$43,000,000, or so much thereof as may be necessary for fiscal year 2012–2013, out of the Hospital Sustainability Program Special Fund with such moneys to be used consistent with the Hospital Sustainability Program Special Fund, including the reimbursement of moneys advanced in fiscal year 2012-2013 from the health care payments program (HMS 401).

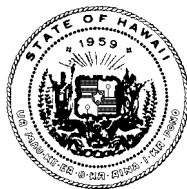
Companion: HB871

Package: Gov

Current Referral: HMS, WAM

Introducer(s): KIM (Introduced by request of another party)

NEIL ABERCROMBIE  
GOVERNOR



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February 5, 2013

TO: The Honorable Suzanne Chun Oakland, Chair  
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 1102 – MAKING AN EMERGENCY APPROPRIATION TO  
THE DEPARTMENT OF HUMAN SERVICES FROM THE  
HOSPITAL SUSTAINABILITY PROGRAM SPECIAL FUND**

Hearing: Tuesday, February 5, 2013; 1:15 p.m.  
Conference Room 016 , State Capitol

**PURPOSE:** The purpose of this bill is to appropriate the sum of \$43,000,000, or so much as may be necessary for fiscal year 2012-2013, out of the Hospital Sustainability Program Special Fund with such moneys to be used consistent with the Hospital Sustainability Program Special Fund , including the reimbursement of moneys advanced for those purposes in fiscal year 2012-2013 from the health care payments program (HMS 401).

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this Administration bill that would not require any new appropriation of general funds. Due to a technical omission, the hospital sustainability program enacted last year did not include the authorization to expend from the special fund moneys received from fees that were deposited into it.

The Hospital Sustainability Program was established through Act 217 in the

2012 legislative session. The program allows DHS to assess fees on hospitals and utilize the moneys received to draw down federal dollars for supplemental payments to hospitals in order to help offset their uncompensated care.

The DHS has used moneys out of Medicaid's health care payments program (HMS 401) to make the supplemental payments so that payments to the private hospitals would not be delayed due to the technical issue. This bill allows funds from the Special Fund to be used to reimburse Medicaid's HMS 401 account for moneys already advanced and for the required supplemental payments for the rest of fiscal year 2012-2013.

Without the authorization to expend moneys out of the special fund, the DHS will not be able to continue making supplemental payments to hospitals and will face a shortfall for the moneys it advanced in good faith and in the spirit of the intent of Act 217.

Thank you for the opportunity to provide testimony on this bill.