

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

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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