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**LATE**

STATE OF HAWAII  
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March 12, 2008

MEMORANDUM

TO: Honorable Suzanne Chun Oakland, Chair  
Senate Committee on Human Services and Public Housing

Honorable David Y. Ige, Chair  
Senate Committee on Health

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 2412, H.D. 1 – RELATING TO HEALTH**

Hearing: Wednesday, March 12, 2008 2:45 p.m.  
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to appropriate funds for the State's portion of the Federal disproportionate share hospital allowance.

DEPARTMENT'S POSITION: The Department of Human Services supports the intent of this bill, provided that its passage does not adversely impact nor replace the priorities in the Executive Supplemental Budget.

A second Federal Medicaid disproportionate share hospital (DSH) allowance of \$7,500,000 was recently been granted for Hawaii by Congress. These Federal funds cannot be expended without a State match. This bill would provide the State match

needed for a second disproportionate share hospital (DSH) allowance payment to hospitals.

Specifically, the State funds of \$5,774,340 appropriated in this bill will match the \$7,500,000 in Federal funds to provide a total of \$13,274,340 in DSH payments to hospitals in Hawaii.

In as much as these options will require additional State appropriations, DHS respectfully requests that such funding not adversely impact nor replace the priorities in the Executive Supplemental Budget.

Thank you for this opportunity to testify.