

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 2757

February 4, 2008

RELATING TO HOSPITALS

House Bill No. 2757 establishes a Hospital Capital Loan program and a revolving fund under the purview of the Department of Health, to authorize the department to make or guarantee loans to hospitals for capital improvements, equipment, supplies, materials or working capital. The fund will be initially capitalized with an unspecified general fund appropriation; however, Section 4 of this bill provides that the funds will be expended by the Department of Budget and Finance.

As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the fund will be self-sustaining.

In addition, with regard to any loan guaranty program, a maximum dollar cap on the aggregate amount of loans guaranteed should be established, as the amount of loans guaranteed will count against the State's debt limit.

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Testimony of Daniel Paul de Gracia, II, MA
Concerned Citizen

In Support Of:

H.B. NO. 2757, RELATING TO HOSPITALS.
House Committee On Health
Monday, February 4, 2008, 9:30 AM
Hawaii State Capitol, Room 329

Chair Green and Members of the Committee:

The purpose of this measure is to establish a hospital capital loan program by which the Department of Health may make or guarantee loans to hospitals for capital improvements, equipment, supplies, materials, or working capital.

I strongly support H.B. 2757 and urge the members of the committee to pass this bill. Thank you for this opportunity to testify.

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