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LATE TESTIMONY

March 12, 2008

MEMORANDUM

TO: Honorable Josh Green, M.D., Chair  
House Committee on Health

Honorable Maile S.L. Shimabukuro, Chair  
House committee on Human Services & Housing

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 2041 – RELATING TO HEALTH**

Hearing: Wednesday, February 12, 2008 8:00 a.m.  
Conference Room 329, 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 by Congress for Hawaii for 2008. 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 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.