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## LATE TESTIMONY

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
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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 and Housing

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 2542, S.D. 2 RELATING TO PUBLIC HEALTH**  
Hearing: Wednesday, March 12, 2008, 8:00 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of this bill is to ensure that the community health center system remains financially viable and stable in the face of the increasing needs of the population of uninsured and underinsured residents by creating a process whereby community health centers and rural health clinics will receive supplemental Medicaid payments and seek modifications to their scope of services. This bill also provides an appropriation to the Department of Health (DOH) to pay federally qualified community health centers for services for the uninsured.

**DEPARTMENT'S POSITION:** The Department of Human Services and the Hawaii Primary Care Association (HPCA) have been meeting to discuss the proposed amendments to the Hawaii Administrative Rules (HAR) and have reached agreement

on a draft as captured in S.B. 2542 S.D.2. A State Plan Amendment (SPA) will be submitted to the Federal Centers for Medicare and Medicaid Services (CMS) as soon as projected costs for the additional requested services are received from the FQHCs.

Both DHS and HPCA are in agreement that no supplemental funds for State Fiscal Year 2008-2009 are required for DHS to implement the proposed amendments to the HAR.

DHS defers to the Department of Health regarding Sections 5 and 6 – appropriation to DOH for direct medical care to the uninsured.

Thank you for the opportunity to comment on this bill.