



LATE

HOUSE COMMITTEE ON HEALTH
Rep. Ryan Yamane, Chair

Conference 329
Feb. 9, 2010 at 9:30 a.m.

Testimony in support of HB 1813.

The Healthcare Association of Hawaii represents its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of HB 1813, which authorizes the issuance of special purpose revenue bonds (SPRBs) for Hawaii Pacific Health.

State law authorizes the Department of Budget and Finance to issue SPRBs for certain types of projects that benefit the community. These projects include health care facilities that are provided to the general public by not-for-profit corporations.

SPRBs are attractive to corporations because they reduce the cost of financing capital projects. At the same time, they are attractive to investors because the interest income derived from them is exempt from State taxes.

It should be noted that the issuance of SPRBs does not involve any appropriation or expenditure of State funds, and it does not affect the financial liability of the State. The bonds are backed by the revenue from the particular project funded by the non-profit corporation.

Hawaii Pacific Health intends to use the SPRBs as a means of financing health care facilities. In providing financial support to Hawaii Pacific Health, this bill will improve access to health care.

For the foregoing reasons, the Healthcare Association of Hawaii supports HB 1813.