

NEIL ABERCROMBIE  
GOVERNOR



PATRICIA MCMANAMAN  
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STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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February 2, 2012

TO: The Honorable John M. Mizuno, Chair  
House Committee on Human Services  
  
The Honorable Ryan I. Yamane, Chair  
House Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2130 - RELATING TO HUMAN SERVICES**

Hearing: Thursday, February 2, 2012; 10:00 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of the bill is to require the State to pay interest on late payments to an operator of an adult day care facility, community care foster family home, or adult residential care home.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) respectfully opposes this bill.

The current law provides equitable treatment for all vendors contracted with the State regarding delayed payments. All providers are important, and DHS opposes preferential treatment for operators of an adult day care facility, community care foster family home, or adult residential care home.

Requiring DHS to pay providers a greater interest rate may increase State expenditures and require either an appropriation or reduction in other areas.

Thank you for the opportunity to testify on this bill.

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