

NEIL ABERCROMBIE
GOVERNOR



LATE TESTIMONY

PATRICIA McMANAMAN.
DIRECTOR

PANKAJ BHANOT
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 18, 2011

MEMORANDUM

TO: The Honorable Ryan I. Yamane, Chair
House Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 797, S.D. 1 – MAKING AN APPROPRIATION FOR HEALTH
INFORMATION TECHNOLOGY**

Hearing: Friday, March 18, 2011; 9:30 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to appropriate funds to the Department of Health to participate in any federal matching grant programs authorized by the federal Health Information Technology for Economic and Clinical Health Act with respect to health information technology systems.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this bill to develop health information technologies.

For the funding for the development of health information technologies as proposed in this bill that are not for Medicaid, DHS defers to the Department of Health.

DHS requests that the Legislature support the funding requests for improving health information technologies for Medicaid that were proposed by the Governor for the Biennium Budget. DHS and the Governor are committed to supporting the meaningful use of electronic health records, which is why \$70,400 in general funds and

two positions were requested to implement the Medicaid electronic health record incentive program. These general funds will receive 90% federal matching funds for administrative costs, and the incentives themselves are 100% federally funded.

DHS has taken the first step in securing the availability of federal matching funds for planning, but has lacked the necessary general funds and more importantly staff resources to fulfill the requirements to be able to proceed with program implementation. Once these deficiencies are addressed as requested in the Governor's budget, then DHS can rapidly pursue implementation.

DHS understands the importance of this program that will bring in substantial federal funds to eligible providers at a time when they are facing reduced reimbursements. In the House budget worksheets, this item is indicated as being taken under advisement.

DHS respectfully requests that the Governor's request is approved and included in the final Biennium Budget.

Thank you for the opportunity to provide testimony on this bill.