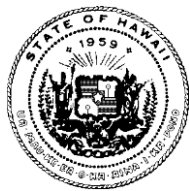


DAVID Y. IGE  
GOVERNOR



PANKAJ BHANOT  
DIRECTOR

BRIDGET HOLTHUS  
DEPUTY DIRECTOR

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

**LATE**

February 14, 2017

TO: The Honorable Senator Jill N. Tokuda, Chair  
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 397 Relating to the Hospital Sustainability Program**

Hearing: February 14, 2017, 9:35 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION**: The Department of Human Services (DHS) appreciates the opportunity to testify in support.

**PURPOSE**: The purpose of the bill is to preserve access to health care for Medicaid recipients by extending the hospital sustainability program; appropriates funds out of the Hospital Sustainability Program Special Fund for fiscal years 2017-2018 and 2018-2019.

This bill is nearly identical to the Administration's bill, SB 962, therefore, we express strong support for this bill. The hospital sustainability program has been operating for several years now, and thus, the one substantive change to prior years' Hospital Sustainability bills is the request to extend the program and exemptions from the applicable special fund fees for two years as opposed to one year.

Thank you for the opportunity to testify on this bill.