

SB 2414

Measure Title:
RELATING TO HEALTH.

Report Title:
Health care; LRB Study; Appropriation (\$)

Description:
Authorizes LRB to study two segments of health care in Hawaii: (1) mandatory employee benefits; and (2) state-sponsored portions of medicaid-assisted programs; makes appropriation.

Package:
Maui Health Initiative Task Force

Introducer(s):
TSUTSUI, BAKER, ENGLISH

Current Referral:
HTH/JDL, WAM

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SB2414

RELATING TO HEALTH

Testimony by the Legislative Reference Bureau
Ken H. Takayama, Acting Director

Presented to the Senate Committees on Health and on Judiciary

Wednesday, February 13, 2008, 1:30 p.m.
Conference Room 016

Chairs Ige and Taniguchi and Members of the Committees:

Thank you very much for this opportunity to testify on Senate Bill No. 2414. The Legislative Reference Bureau (Bureau) takes no position either for or against the measure, but submits the following comments and concerns:

- As always, if the Legislature wants us to do this study, we will do what we can to the best of our ability.
- The bill directs the Bureau to undertake a very broad study that is really two separate studies, namely, the review and analysis of a variety of issues concerning the Prepaid Health Care Law, and separately, state-funded Medicare programs.
- The Bureau does not collect much less maintain any data of this nature. Therefore, all data will need to come from other sources—assuming that data is available at all.
 1. One item directs the Bureau to determine the extent to which employees and dependents under employer-sponsored plans are ALSO eligible to receive federal health benefits.
 2. While it might be possible to find out the aggregate number of people in Hawaii who receive medical benefits through Medicare, the Veterans Administration, and Tricare, among others, respectively, it is another thing entirely to ascertain how many of those individuals *also* qualify for employer-sponsored benefits. Additionally, just because a person is eligible to receive certain benefits does not mean that they are using them.
- Other components of the study call for predictions that, ultimately, are probably anyone's guess, such as:

1. The extent to which the lack of mandated coverage may result in financial hardship on persons in need of treatment; and
 2. The extent to which the lack of mandated coverage could result in persons being unable to obtain health coverage.
- If this bill is to pass, we would ask that the scope of the study be reduced to make it more manageable. This could be accomplished by:
 1. Focusing the study on *either* the Prepaid Health Care Act or Medicaid—instead of both; or
 2. If the foregoing is not possible, then by eliminating the study components calling for predictions, such as:
 - a. Items (E) and (F) under the Prepaid Health Care Act at page 2, line 20 to page 3, line 4; and
 - b. Items (D) and (E) under state funded medicaid programs at page 3, lines 15 to 20.

Thank you very much for this opportunity to testify.

LINDA LINGLE
GOVERNOR



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TO THE
SENATE COMMITTEES
ON
HEALTH
AND
JUDICIARY AND LABOR

February 13, 2008

SB 2414

RELATING TO HEALTH.

Chair Ige, Chair Taniguchi and committee members, thank you for the opportunity to testify on SB 2414. The State Procurement Office's (SPO) testimony is limited to Section 2, which provides that any contract pursuant to SB 2414 shall be a "non-bid" contract exempt from chapter 103D, Hawaii Revised Statutes.

Statutory exemptions are contrary to the Hawaii Public Procurement Code (Code), section 103D-102, HRS, on the applicability of the chapter that states in part ". . . shall apply to all procurement contracts made by governmental bodies whether the consideration for the contract is cash, revenues, realizations, receipts, or earnings, . . ." Any governmental agency with the authority to expend funds should be in compliance with Chapter 103D, which promotes the policy of fair and equitable treatment of all persons who deal with the procurement system; fosters effective broad-based competition; and increases public confidence in public procurement.

The SPO is against statutorily exempting specific purchases from the Code, as it is not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, and reliable set of rules and processes for award of contracts. The competitive procurement processes of the Code are to insure that all potential providers are afforded the opportunity to compete for the required services. To the extent agencies may need specific purchases to be exempted from Code requirements, the Code provides an exemption process.

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The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly to obtain its requirements. It was the legislature's intent for the Code to be a single source of public procurement policy. If individual agencies are exempted and allowed to develop their own individual processes, it becomes problematic for the administration and vendors/contractors that must comply with a variety of processes. Fairness, open competition, a level playing field, and government disclosure and transparency in the procurement and contracting process are vital to good government. For this to be accomplished, we must participate in the process with one set of statutes and rules.

In conclusion, there is no compelling reason to statutorily exempt from the Code any contract pursuant to SB 2414. The SPO recommends amending Page 4, lines 1 and 2, as follows:

The legislative reference bureau may contract the services of a private contractor to conduct all or a portion of the study as it deems appropriate. ~~Any contract executed pursuant to this Act shall be exempt from chapter 103D, Hawaii Revised Statutes.~~

Thank you.