



LATE

House Sergeant at Arms
House Labor Committee

For: Public Testimony Hearing on Tuesday, 2/17/09, 8:30 am Room 309

Re: Testimony in Opposition relating to Public Employee Insurance: HB 1725, HB 1723, HB 1726, HB 1727

From: Democratic Party of Hawai'i, Legislation Committee

Dear Chair Karl Rhoads and Members of the House Labor Committee:

Thank you for the opportunity to testify before this committee. The Democratic Party of Hawai'i supports universal health coverage, strong labor practices and collective bargaining. The Legislative Committee of the Democratic Party urges your opposition to HB 1725, HB 1723, HB 1726, and HB 1727, because they move in the wrong direction on these three important principles. This testimony is submitted by Douglas Pyle, Co-Chair of the Legislation Committee of the Democratic Party of Hawai'i.

The priorities and principles of the Democratic Party of Hawai'i stand in opposition to what these bills do. These bills move in exactly the wrong direction on health insurance coverage by singling out public employees and retirees for reductions in coverage, rather than moving toward universal health insurance for all. It also targets middle- and lower-income workers who makeup the public employee workforce, contrary to the Party's support of fair workplace practices and benefits for all employees. Some of these bills remove healthcare items from collective bargaining, which contradicts the Party's longtime support for the right of collective bargaining.

The Democratic Party at its 2008 State Convention, with overwhelming support of delegates assembled, declared its support for resolutions and platform statements strongly supporting employee rights and universal health coverage, including the following resolutions:

Labor 08-04: Oppose Anti-Union Laws – opposes laws that undermine “the ability to [bargain] ... for fair wages and benefits,” and,

Health 08-01: Supporting universal health care is a priority for the Democratic Party. Reductions and take-aways from health coverage already provided moves in the wrong direction. “The Democratic Party of is committed to supporting steps that encourage health for all as a human right and need....”

The Platform of the Democratic Party speaks to the issues raised in this testimony. The Party supports strong labor practices, good jobs and fair pay. In addition, the Party platform states:

On Health Care, Democratic Party of Hawai'i supports “... quality health care that meets a high standard,” and

On Labor – the Democratic Party of Hawai'i: “As the party of working men and women of Hawai'i, we work to protect labor rights and social security. ... We believe that workers are entitled to organize and to bargain through their unions. ... Workers need to be fairly compensated for the services they provide,” and

We are all aware of economists' warning that the economy is approaching critical conditions. Economists across the political spectrum recommend protecting jobs and income of workers at lower and middle-income levels, such as public employees, because their confidence and spending are needed to break the economic downward spiral. These bills add burdens to middle- and lower-income workers that are likely to worsen our economic plight.

Respectfully submitted,

Douglas Pyle, Co-Chair
Legislation Committee of the State Central Committee,
Democratic Party of Hawai'i

The Twenty-Fifth Legislature
Regular Session of 2009

LATE

HOUSE OF REPRESENTATIVES
Committee on Labor & Public Employment
Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair

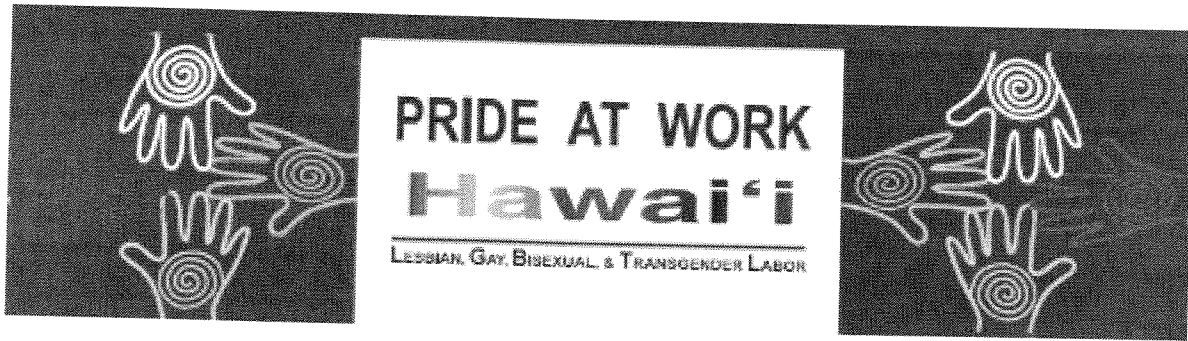
State Capitol, Conference Room 309
Tuesday, February 17, 2009; 8:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1727
RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

The ILWU Local 142 opposes H.B. 1727, which prohibits the EUTF from providing dental and vision coverage from 7/1/09 to 6/30/15.

This bill is one of several bills that were introduced to take away hard-earned benefits that public employees have come to enjoy and expect after years of dedicated service. While difficult economic times will require sacrifice and compromise, this bill, like the others, does not foster the spirit of collaboration needed for a just resolution. Instead, the bill ignores collective bargaining and attempts to take away benefits with a new law. This is clearly not the way to promote good will and encourage cooperation.

The ILWU urges that H.B. 1727 be held. Thank you for the opportunity to share our views and concerns.



PO Box 22416 Honolulu, HI 96822
(808) 543-6054

prideatworkhawaii@hawaiiantel.net
www.hawaflcio.org/PAWHI

February 17, 2009

Hawaii State House of Representatives
Committee on Labor and Public Employment
Chair, Rep. Karl Rhoads
Vice Chair, Rep. Kyle Yamashita

Testimony in opposition to **H.B. 1727 – RELATING TO THE HAWAII EMPLOYER-
UNION HEALTH BENEFITS TRUST FUND**

Pride At Work Hawai'i, whose mission is to mobilize lesbian, gay, bisexual, and transgender (LGBT) workers and their supporters for full equality and to build mutual support between the labor movement and the LGBT community, strongly opposes H.B. 1727. As drafted, the bill would prohibit the Employer-Union Trust Fund from providing dental and vision insurance for public workers.

In these difficult economic times, public workers represent necessary lifelines for Hawai'i's citizens. We rely on them to serve our needs, and this reliance only increases during bad times. These public workers also need to be able to provide adequate insurance coverage for themselves and their families. Passage of this bill would harm these hard-working women and men by not allowing the Fund to offer any paid dental and vision insurance.

Thank you for the opportunity to testify against HB1727. On behalf of all LGBT workers in Hawai'i, we hope you will oppose this harmful bill.

Respectfully submitted,
Steve Dinion
President
Pride At Work Hawai'i

Testimony for HB1727 on 2/17/2009 8:30:00 AM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

LATE

Sent: Monday, February 16, 2009 7:54 PM

To: LABtestimony

Cc: hnicolefarr@yahoo.com

Testimony for LAB 2/17/2009 8:30:00 AM HB1727

Conference room: 309

Testifier position: oppose

Testifier will be present: No

Submitted by: Heather Nicole Farr

Organization: Individual

Address: 5077 Menehune Rd. Waimea, HI

Phone: 808-652-2614

E-mail: hnicolefarr@yahoo.com

Submitted on: 2/16/2009

Comments:

My name is Nicole Farr, I'm an athletic health care trainer with the Department of Education. I am highly opposed to HB 1727 because as a single individual trying to make ends meet with the current cost of living is difficult. I know this strain is felt across the state as well. Cutting the vision and dental programs, or rather making us pay out of pocket for services could cost the state more money in the long run. Maintaining proper dental health can prevent other (expensive) medical complications such as cardiovascular disease (heart attack and stroke) and osteoporosis. Both of which could be easily avoided with a different measure other than putting the full cost to the employee.

pay raises on the one hand and benefits dropped on the other

Robert Domingos [mingokau@gmail.com]

Sent: Monday, February 16, 2009 7:02 PM

To: LABtestimony

Cc: Rep. Robert Herkes

LATE

Pay raises on the one hand and benefits dropped on the other !

Your constituents in the district of Ka'u shout a loud OPPOSED to all four:

NO on HB1719 and HB1723; NO on HB1725 and HB1727

Robert Domingos
Wai'ohinu

Re: HB 1727 Hearing, Tuesday, February 17, at 8:30 a.m

microhi@yahoo.com [microhi@yahoo.com]

Sent: Monday, February 16, 2009 3:17 PM

To: LABtestimony

LATE

To: The House Committee on Labor and Public Employment,

Re: *HB 1727* Hearing, Tuesday, February 17, at 8:30 a.m.

I request that you vote against *HB 1727*. Even if EUTF members are offered group rates, the fact that we would have to pay our full premium and our full copayment (which is not much for dental and vision coverage) is just another chipping away at our already gouged paychecks. This means less money for EUTF individuals to provide for their families, save for the future, and pump into the local economy. Dental care is expensive, yet necessary for those who serve the public, as pain lessens the quality of an individual's work. Are the servants not worth helping in this regard?

Finding an insurance carrier may be difficult because there needs to be assurance that a large number of employees will participate. Furthermore, how does the State expect to attract and keep high quality educational leaders in Hawaii if benefits keep being cut? How does the State expect Hawaii's next generation of leaders to be trained if there are few qualified educators that we can attract and motivate to stay? Why come here when the cost of living is so high and there are so little employer benefits that come with the job?

By denying dental and vision benefits to public servants, the State is robbing its own workforce and increasing financial burdens upon families. Also, why are we forced to put money into a mandatory retirement fund if we may need that money in the present to take care of our teeth or our eyes? Have you given up your dental and vision benefits as an elected official who is proposing to take away that of other public servants? Have you given up ANY benefits that our tax dollars pay for? What is pono?

Please consider how this bill, if passed, will affect the present and future of Hawaii's economy, workforce, and youths. Please vote against *HB1725*. The outcome of this issue will affect how I vote for governor in the next election. Even though I voted for Governor Lingle, I will not vote for Duke Aiona, or anyone else involved in the passing of this bill, if my benefits are lost.

Respectfully submitted, Ms. Adrienne Sentell
Lecturer CC, Math and Science Division
Leeward Community College

Testimony for HB1727 on 2/17/2009 8:30:00 AM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 16, 2009 3:23 PM

To: LABtestimony

Cc: Michelle_Harrington@notes.k12.hi.us

LATE

Testimony for LAB 2/17/2009 8:30:00 AM HB1727

Conference room: 309

Testifier position: oppose

Testifier will be present: No

Submitted by: Michelle Harrington

Organization: Individual

Address: 1515 California Ave Wahiawa, HI 96786

Phone: 808-622-6592

E-mail: Michelle_Harrington@notes.k12.hi.us

Submitted on: 2/16/2009

Comments:

My name is Michelle Harrington, I am an athletic health care trainer in the Department of Education. I am strongly opposed to HB 1727 as it will increase the economical burden of Hawaii's state employees. Please do not pass this bill, as this bill with the other bills (HB1721,HB1722,HB1723, HB1725, HB1726) currently before this legislative session will increase the economic burden on all of Hawaii's citizens.

HB 1727, HB 1725

Jenna_Umeno/MAUIDO/HIDOE@notes.k12.hi.us
[Jenna_Umeno/MAUIDO/HIDOE@notes.k12.hi.us]

LATE

Sent: Monday, February 16, 2009 4:04 PM

To: LABtestimony

Aloha,

I am a 1st-year speech language pathologist (slp) working in the elementary school setting on Maui. I understand that times are hard, and I'm very new to all of this, but I am concerned on how these bills will affect county and state employees; more specifically hiring the needed employees to provide services to the community. It has been very hard to recruit slps to work in Hawaii and fill needed positions, and a very big incentive are medical (prescription drug, vision, and dental) benefits that come along with working for the DOE. Because I'm new, I depend a lot on the more experienced slps who have been working in the school system for 5, 10, 20, even 30 years now. I'm very concerned on what will happen to these "mentors" of mine if these bills are passed. A lot of them have families and are responsible for growing expenses as is. Not only are they vital in helping me through my busy 1st year, but they are irreplaceable at their schools as they are making a difference in children's lives everyday. Please take this into consideration when reviewing these bills.

Mahalo,
Jenna Umeno

HB-1727 - Relating to the Hawaii Employer-Union Health Benefits Trust Fund

do_not_reply@members.hsta.org [do_not_reply@members.hsta.org]

LATE

Sent: Monday, February 16, 2009 4:15 PM**To:** LABtestimony

Testimony Message

Subject: HB 1727-Relating to the Hawaii Employer-Union Health Benefits Trust Fund.

House Committee on Labor & Public Employment
Tuesday, Feb. 17, 2009
Conference Room 309
08:30 a.m.

Chair Rhoads and Members of the Committee:

My name is Fran and I am a teacher at King Intermediate School. I strongly oppose HB 1727 which suspends the dental and vision coverage from 07/01/2009 to 06/30/2015 and allows the employees to obtain the dental and vision coverage which the employee pays 100% of the cost.

If this bill should pass it restricts the authority of the EUTF in which Chapter 87A gives the EUTF the authority to determine the health benefit plans at a cost that is affordable to both the public employees and the public employers. The EUTF trustees have the fiduciary responsibility to determine what benefits they can offer to the public employees once they know the cost of what the public employer will contribute via collective bargaining. The EUTF will have the flexibility to offer less benefits if the cost is higher than the employers/employees contributions or have the employee pay more if they want the same benefits.

I urge to allow the EUTF trustees to make the determination as to what can be offered to the public employees at a cost that is determined by collective bargaining.

Thank you for the opportunity to testify.

Sincerely,
Fran Bellinger

anti-labor bills

pw [goldd@hawaiianisp.com]

LATE

Sent: Monday, February 16, 2009 4:35 PM**To:** LABtestimony

Dear Committee Members,

I am opposed to the below mentioned bills:

*

HB1106, *HB1725 – Halt prescription drug coverage under EUTF;
HB1723 – Limit employer contribution to 55% and make it non-negotiable;
HB1715 – Increase, for new employees, the age and service time requirement to retire;
HB1726 – Curtail EUTF payment for life insurance benefits;
HB1727 – Prohibits provision of dental and vision coverage.

It seems that the governor and apparently some legislators feel that the only way to cut the deficit is to do so on the backs of state workers which would dramatically affect the livelihood me and many others. My budget is based on my currently salary. I pay my bills based on what take home in my check. So it is with great concern when you are considering bills that will cut my pay anywhere from 5% to 30%. This kind of cut will jeopardized my economic solvency. Imagine you as legislators taking similar cuts and not making a financial impact on your life.

I urge you to reject the above mentioned bills.

Sincerely P.Watanabe

P.S. Below is a email message to my Calvin Say(the instigator of this anti-labor legislation)

"Mr. Say,

I am astonished that you are trying balance the state budget on state employees. What is more astonishing is that you support pay raises for your own PART TIME JOBS. I would love to make the amount of money the legislators make for 3 months of work. If you feel that your jobs are full time jobs, change the law and make it officially a full time position. _And if you are asking everyone to sacrifice, shouldn't you as House speaker be a example for everyone and give up your pay raise, take a additional pay cut and give up your state benefits._

Mr Say if you continue to support anti state employee legislation I will NOT vote for you. Also, I will convince my mother to NOT vote for you too.

If you fail to heed this advice, I will consider voting for a republican candidate against you.

As a state employee I went through similar cutbacks, but the process was to cut all temporary employees first, cut all emergency employees, cut all exempt positions, reduce programs, cut tax credits to businesses and

then consider RIFFs.

The process WASN'T to cut state employees benefits.

I suggest you consider a excise tax increase.

Sincerely a concerned constituent and state worker

Paul Watanabe "

HB1727 testimony

sierra [sierra@alohabroadband.com]

Sent: Monday, February 16, 2009 4:53 PM**To:** LABtestimony**LATE**

HB 1727
Committee on Labor & Public Employment
2-17-2009
8:30 AM
Conference Room 309
12 copies

Dear Chairman Rhoads, Vice Chair Yamashita, and Members of the Committee,

I am writing in opposition to HB 1727 (Relating to the Hawaii Employer-Union Health Benefits Trust Fund). Many public employees in the State of Hawaii depend on their insurance coverage to help maintain their dental health. This Bill virtually eliminates their dental coverage for 6 years. Yes, it allows the employees to pay for their own coverage, at no cost to the employers, but many of the employees will not be able to afford this. With the current economic crisis plaguing our state and our nation, many are facing cuts in health, vision and dental coverage.

In dental offices we are noticing that many are only coming in for checkups and care because they have coverage. Persons without coverage are not able to afford care now and seek it out only in dental emergencies. Many others will put off seeking care, even emergency care, because of finances.

Alternatives to private dental offices, I am speaking of community dental clinics, are few on the neighbor islands, and most are filled to capacity with those seeking care. Hawaii has always been a leader for the rest of the country in health care coverage, including dental and vision benefits. Please don't eliminate this valuable health asset.

Mahalo for your attention,

Sierra Spruce, RDH
Hawaii Dental Hygienists' Association
Regulation and Practice Chair
2003 State President

POB 2138
Kealahou, HI 96750
808-939-7100

PLEASE Vote no....

E Foster Heckman [efoste@gmail.com]

Sent: Monday, February 16, 2009 5:52 PM

To: LABtestimony

LATE

Aloha Chair Rhoads, Vice Chair Yamashita, and members of the committee:

Thank you for the opportunity to submit testimony this morning. My name is Elizabeth Foster Heckman and I have been working for the Department of Health for 2 years. I am quite upset about the following bills introduced by Speaker Calvin Say:

- HB1725 Halt prescription drug coverage under EUTF;
- HB1723 Limit employer contribution to 55% and make it non-negotiable;
- HB1715 Increase, for new employees, the age and service time requirement to retire;
- HB1726 Curtail EUTF payment for life insurance benefits;
- HB1727 Prohibits provision of dental and vision coverage.

I had the option of working at a private agency for much more money than I currently make with the state. However, I choose to join a team of hard workers at AMHD to work at reduced pay for the benefits afforded State of Hawaii workers. Please do not vote in favor of these bills, as they would negatively impact our work force. If cuts had to be made, I would choose a furlough rather than the long-term repercussions of reduced benefits.

Thank you for your time and attention to these concerns,

Elizabeth Foster Heckman, M.Ed.
2507A Rainbow Dr
Honolulu, Hawaii 96822

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Let the beauty of what you love be what you do ~Jalal ad-Din Rumi

Be the change you want to see in the world. ~Mahatma Gandhi

May all beings be safe and free from anger, fear, greed, dilution and all ill being.
~Buddhist Peace Delegation

<http://www.bpf.org/html/home.html>

<><><><><><><><><><><><><><><><><><><><><><>

Re-sent with my address...

Bran-D Foster Heckman [brand808@gmail.com]

LATE

Sent: Monday, February 16, 2009 5:54 PM

To: LABtestimony

Chair Rhoads, Vice Chair Yamashita, and members of the committee:

Thank you for the opportunity to submit testimony this morning. My name is Bran-D Foster Heckman and I have been working for the Department of Health for 4 years. I am very upset about the following bills introduced by Speaker Calvin Say:

HB1725 Halt prescription drug coverage under EUTF;
HB1723 Limit employer contribution to 55% and make it non-negotiable;
HB1715 Increase, for new employees, the age and service time requirement to retire;
HB1726 Curtail EUTF payment for life insurance benefits;
HB1727 Prohibits provision of dental and vision coverage.

I am a hard worker and proud to be a State Worker. I could make much more money and spend less time doing extra paperwork or in meetings in the private sector. However, I work at reduced pay for the benefits afforded State of Hawaii workers. Please do not vote in favor of these bills, as they would negatively impact our work force.

Thank you for your time,

Bran-D Foster Heckman
2507A Rainbow Dr
Honolulu, Hawaii 96822

HB-1727 - Relating to the Hawaii Employer-Union Health Benefits Trust Fund

do_not_reply@members.hsta.org [do_not_reply@members.hsta.org]

Sent: Monday, February 16, 2009 6:20 PM

To: LABtestimony

LATE

Testimony Message

Subject: HB 1727-Relating to the Hawaii Employer-Union Health Benefits Trust Fund.

House Committee on Labor & Public Employment
Tuesday, Feb. 17, 2009
Conference Room 309
08:30 a.m.

Chair Rhoads and Members of the Committee:

My name is caryn and I am a teacher at kailua elementary. I strongly oppose HB 1727 which suspends the dental and vision coverage from 07/01/2009 to 06/30/2015 and allows the employees to obtain the dental and vision coverage which the employee pays 100% of the cost.

If this bill should pass it restricts the authority of the EUTF in which Chapter 87A gives the EUTF the authority to determine the health benefit plans at a cost that is affordable to both the public employees and the public employers. The EUTF trustees have the fiduciary responsibility to determine what benefits they can offer to the public employees once they know the cost of what the public employer will contribute via collective bargaining. The EUTF will have the flexibility to offer less benefits if the cost is higher than the employers/employees contributions or have the employee pay more if they want the same benefits.

I urge to allow the EUTF trustees to make the determination as to what can be offered to the public employees at a cost that is determined by collective bargaining.

Thank you for the opportunity to testify.

Sincerely,
caryn rosen

HB-1727 - Relating to the Hawaii Employer-Union Health Benefits Trust Fund

do_not_reply@members.hsta.org [do_not_reply@members.hsta.org]

Sent: Monday, February 16, 2009 6:28 PM

To: LABtestimony

LATE

Testimony Message

Subject: HB 1727-Relating to the Hawaii Employer-Union Health Benefits Trust Fund.

House Committee on Labor & Public Employment
Tuesday, Feb. 17, 2009
Conference Room 309
08:30 a.m.

Chair Rhoads and Members of the Committee:

My name is Saiselu and I am a teacher at Ka'a'awa Elementary. I strongly oppose HB 1727 which suspends the dental and vision coverage from 07/01/2009 to 06/30/2015 and allows the employees to obtain the dental and vision coverage which the employee pays 100% of the cost.

If this bill should pass it restricts the authority of the EUTF in which Chapter 87A gives the EUTF the authority to determine the health benefit plans at a cost that is affordable to both the public employees and the public employers. The EUTF trustees have the fiduciary responsibility to determine what benefits they can offer to the public employees once they know the cost of what the public employer will contribute via collective bargaining. The EUTF will have the flexibility to offer less benefits if the cost is higher than the employers/employees contributions or have the employee pay more if they want the same benefits.

I urge to allow the EUTF trustees to make the determination as to what can be offered to the public employees at a cost that is determined by collective bargaining.

Thank you for the opportunity to testify.

Sincerely,
Saiselu Walker

Testimony against Bills before the House Committee on Labor and Public
Employment.

The Honorable Karl Rhoads, Chair
And members
Committee on Labor and Public Employment
House of Representatives
State Capital
Honolulu, Hawaii 96813

Respectfully;

I am John Bruce, writing to you to voice my concerns about the following House Bills that I am that many of my co-workers and myself have great opposition to:

House Bill No. 1723- Related to Public Employees
House Bill No. 1715- Related to Retirement
House Bill No. 1726- Related to the Health Fund
House Bill No. 1727- Related to the Hawaii Employer-Union Health Benefits Trust Fund

Benefits are frequently what attracts and keeps employees to become and continue as civil service employees. The majority of these individuals have been loyal to government employment and the missions of their respective agencies for many years.

Eliminating benefits will cause morale problems and will affect our County of Maui, the other counties and the State as a whole. Removal of benefits and changing the agreements will be detrimental to all employees, their families and the community at large.

Eliminating benefits from employees will stimulate a large number of mid-level and higher management personnel to seek retirement immediately. Those who remain for the present may indeed seek other employment when the economy improves. With these forced changes there will cease to be any incentive for employees to remain with the State or County divisions and agencies.

By creating such a situation, the quality of public safety and services will become a major concern. Vacancies will be among the experienced individuals who have dedicated their employment careers to government service. Filling these positions will be difficult and will undoubtedly create problems of its own. The timetable presented doesn't create an orderly transfer or training scenario for personnel replacement.

For this reason, I am voicing my opposition to the proposed house bills. The overall effect would bring larger problems that would cause a disruption to State and County services on all islands.

There are forces in our community who will applaud these changes if implemented. Their interests are at odds with the logic of government operations. Private contractors will never be the answer to the government's financial shortfalls and inevitably leads to corruption and influence of special interests. Jobs still must be done and your loyal government employees are there to serve the public in this capacity. Support them by not passing these bills on.

Sincerely;

John G. Bruce
Haiku, Hawaii 96708

Testimony re: Take away Bills

LATE

HB 1727

Representative Karl Rhoads, Chair Labor Committee
Representative Kyle Yamashita, Vice Chair, Labor Committee,
Members of the Committee on Labor,

PLEASE DO NOT PASS THE SIX YEAR RECESSION EXTENSION PACKAGE OF 2009

The proposed take away bills are counterproductive to the philosophy that the government should be doing everything in it's power to stimulate the economy, and not to drag it down.

The numerous attacks that these bills have on government employees pay and benefits are short-sighted and foolhardy.

Let's look at just a few ways that these legislative proposals in question stimulate Hawaii's economy:

- 1) Drastically reduce the take home pay of the 40,000+ government employees in the range through furloughs that equal a 5% reduction in pay per day for each furlough day
- 2) Reduce the workers take home pay by an additional \$250+ monthly to cover an increase to proposed family plan medical insurance premiums. This would also cause a severe reduction in spending by the largest employee group in the state. These draconian reductions are GAURANTEED to further drag down the state's economy as nearly ALL 40,000 employees who are presently scrapping by will restrict their spending.
- 3) Force the workers who retire after 6-30-09 to incur huge increases in the cost of medical insurance premiums due to non-payment by the state. This will result in no spending (economic stimulus) by anyone retiring in the near future due to lack of affordability. This is also a great way to thank workers who have given decades of service to the State of Hawaii who will now be on fixed incomes.
- 4) The state will need to pay out millions of dollars in cash to buy out the exodus of employees that will retire before 6-30-09. The state still owes them their vacation pay, up to 112 days of wages for each forced retirement.

The state and county governments do not produce widgets and gadgets that we sell to the residents and visitors to Hawaii to generate revenue for the government. We provide critical services to the people of Hawaii by taking care of the less fortunate, protecting our food and water supplies, and saving people's lives from criminals and disasters alike. In other words, governments' role is to allow the people of Hawaii to live in a manner to which they have become accustomed. The HGEA had no role in creating any of the governments programs or personnel in State or City government, this was the role of our lawmakers who decided that the people of Hawaii needed some type of service in order to make life in Hawaii better for all our visitors and residents.

Therefore the product we sell is shared by all the people in Hawaii, and we should ALL share in the costs of this economic downturn. This means that all residents and visitors must share equally in the "pain" that the lawmakers speak of.

Balancing the state's budget on the backs of government employees is not "sharing the pain". If the proposed cuts go through all that will be accomplished is to extend the recession in Hawaii until 2015.

Aloha,
Peter Oshiro, HGEA Member
95-1076 Pikokea St.
Mililani, HI 96789

LATE

Yara Lamadrid-Rose
yardav@hawaii.rr.com

February 16, 2009

Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair
Committee on Labor and Public Employment
Hearing February 17, 2009
Conference Room 309

RE: Testimony in Opposition to HB1723, HB1715, HB1726, HB1727, and HB1725

Chair Rhoads, Vice Chair Yamashita, and members of the Committee:

Thank you for the opportunity to submit testimony in opposition to HB1723, HB1715, HB1726, HB1727, and HB1725. Please vote "no" on these bills.

I have been in public service for almost 25 years. These bills would hurt me, and my family, in very personal ways. Specifically, HB1727, heard here today (and HB 1725 heard February 13th) are the most onerous. HB1727 (and HB1725) would prohibit the EUTF from providing prescription drug coverage (HB1725), and dental and vision coverage (HB1727) for 6 years! This is a regressive bill in a state that prides itself in providing health care for its people.

My husband lost his job in March 2008. I was the sole breadwinner for our family (2 young children) until he found employment a few months later, at a fraction of his previous salary, I might add. I also provide the medical, prescription drug, dental, and vision coverage for our family through the EUTF. HB1727 and HB1725 will impact our ability to adequately take care of our family, and ourselves, when we have the greatest need, when we are ill, as well as provide preventative care for our children. Our family has already tightened its belt, we have cut back and economize on everything to make ends meet and provide for our family. HB1727 and HB1725 would add an incredible financial burden on our family when we can least afford it.

HB1723 also threatens state employees and amounts to a pay cut by decreasing the employer contributions to the EUTF and making it a non-negotiable item under collective bargaining. HB1726 would also amount to another pay cut by prohibiting the EUTF from providing the current life insurance. HB1715 would change the minimum retirement age and years of service for new employees, creating a 2-tiered employee system, which has proven ineffective and eventually unworkable in the past.

We have always been told to look at pay and benefits as a "package." Our pay is less than comparable employment in the private sector, but the benefits in medical and retirement balance the pay difference. These bills would change the ground rules of our employment in a negative way.

Please vote "no" on HB1723, HB1715, HB1726, HB1727, and HB1725 that would take away benefits from public employees.

c: Rep. Jessica Wooley

yamashita2 - Kristen

From: Laurie Sodetani [lsodetani@msn.com]
Sent: Monday, February 16, 2009 9:46 PM
To: LABtestimony
Subject: FW: House Bills

From: lsodetani@msn.com
To: labtestimony@capitol.hawaii.gov
Subject: House Bills
Date: Mon, 16 Feb 2009 21:43:33 -1000

I am a speech/language pathologist on the island of Hawaii. I have worked for the State of Hawaii Department of Education since 1985. During that time, I have traveled over most of the island providing speech and language services to children from age 3 to 20. These children have autism, hearing loss, mental retardation, emotional illness, specific learning disabilities, and speech and language deficits, among other learning difficulties. I and my colleagues have worked very hard for the State of Hawaii for many years. Several of us are in our 50's, and we worry about future speech/language services to our islands. Speech pathologists are already in high demand throughout the nation. We have been unable to recruit and/or retain trained speech/language pathologists here in Hawaii in part because the State pays a lower wage than most facilities and school districts do. If the legislature should decide to take away benefits as well, I can foresee the shortage becoming critical, with Hawaii's children being the unfortunate victims. These bills, specifically, HB 1725, 1723, 1715, 1726, and 1727, are short-sighted and will, if passed, cause unquestionable damage to thousands of Hawaii's children. In addition, without retirement benefits, won't a good portion of public retirees become a huge financial drain on the state? Please do not break the promises made to Hawaii's public workers by passing this legislation. You might save a few bucks in the short run, but the long-term consequences will be disastrous.

Sincerely,
Laurie Sodetani
MA CCC-Sp

yamashita2 - Kristen

From: julie t [ajmt14@yahoo.com]
Sent: Monday, February 16, 2009 9:31 PM
To: Rep. Roy Takumi
Cc: LABtestimony
Subject: HB1725, 1723, 1715, 1726, and 1727.

To: Representative Roy Takumi
Re: HB1725 – Halt prescription drug coverage under EUTF;
HB1723 – Limit employer contribution to 55% and make it non-negotiable.
HB1715 - Increase, for new employees, the age and service time requirement to retire;
HB1726 – Curtail EUTF payment for life insurance benefits;
HB1727 – Prohibits provision of dental and vision coverage.

Hello, my name is Julie Tamura. I live in your district and voted for you. I work for the DOE and am a member of HGEA. I am employed at a wonderful public elementary school and have 17.5 years with the DOE.

I am also a taxpayer. There are several members' in my family that also work for the State of Hawaii. And I also have a multitude of friends' and acquaintances that work for the City & County. House Bills 1725, 1723, 1715, 1727 will affect those of us who have given many years of our lives to service the public. HB 1726 will eventually affect specifically, two of my nieces', who are currently at the University of Hawaii and want to become future educators.

In addition to this, my sister and I, are caregivers' for our parents'. We share a lot of the responsibilities within the household. If my income and/or health benefits were decreased, it will have an adverse effect in my household. If my income, medical coverage, including dental and vision are affected, not only will my income be severely affected, but my wellness will be threatened as well. I already have some medical conditions that require several maintenance prescription drugs.

I had decided a long time ago, to make a career in public service, opting to take a substantial pay cut from my private sector job. But I have never regretted the change in careers, as I have never been happier, working with children and colleagues' who share the same essential goal in educating young minds.

I cannot imagine what my livelihood would be like without the retirement and benefits. I am sincerely making a plea for you to consider NOT taking away these hard-earned benefits from myself, as well as, the many thousands of public service employees.

I don't know how it'll be possible to suffer losses in the benefits that I've worked so hard for. I may not be able to retire anytime soon, but have always hoped to be able to retire comfortably. The health benefits have been another factor in staying with public service.

I truly don't believe that it is fair for the House to be looking at ways to balance the budget on the backs of public employees. We all work hard at our jobs and the economic crisis is taking a toll on all of us.

Please find another way to balance the budget. Perhaps, raising the excise tax would be a fairer and equal way to address the state's current revenue problem. With everyone paying a bit more, we can share the burden during these difficult times.

I thank you for your kind attention and consideration to my plea. A reply would be appreciated.

Respectfully submitted,
Julie Tamura

LATE

yamashita2 - Kristen

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2009 9:04 PM
To: LABtestimony
Cc: purple66line@hawaiiantel.net
Subject: Testimony for HB1725 on 2/17/2009 8:30:00 AM

Testimony for LAB 2/17/2009 8:30:00 AM HB1725

Conference room: 309
Testifier position: oppose
Testifier will be present: No
Submitted by: GLENN F. PARK
Organization: Individual
Address: 2222 ALOHA DR, 901 HON, HI 96815-2807
Phone: (808) 924-3643
E-mail: purple66line@hawaiiantel.net
Submitted on: 2/16/2009

Comments:

Chairman Rhoads, Vice-Chairman Yamashita, and Members of the Committee on Labor and Public Employment

Thank you for the opportunity to submit testimony. My name is Glenn F. Park. I am employee with the State of Hawaii. For the past twenty years, I have worked as social worker serving adults, children and families.

I will be eligible for retirement after July 1, 2009.

I am opposed to House Bills HB 1723, 1725, 1726, and 1727.

Hawaii families have been hit hard in the pocketbooks due to skyrocketing health costs and stagnant wages" said Ron Pollack, Executive Director of national organization for health care consumers. As a result many are paying much larger portions of their paychecks on health care which is becoming less and less affordable. Mr. Pollack goes on to say that if this troubling trend continues, the health care affordability crisis will get much worse and many will become uninsured and underinsured. If earnings continue to lag behind fast rising health care costs, many will face diminishing economic and health security.

The House Bills propose to halt, prohibit provision prescription drug, dental and vision coverage under EUTF, limit employer contribution to 55% and make it non-negotiable, and curtail EUTF payment for life insurance benefits. In order to protect health benefits earned over the years, I have little choice but to file involuntarily for early retirement. Early retirement will result in a pension benefit reduction of 6% for each year under age 62. On a fixed income of a lesser amount, I will be faced with paying health plan, insurance premiums and prescription, dental and vision coverage out-of-pocket.

In the rush to address, resolve the significant and possibly protracted economic downturn facing the State, the proposed House Bills fail to consider the human cost.

Glenn F. Park
HGEA Member
2222 Aloha Drive, #901
Honolulu, HI. 96815-2807

yamashita2 - Kristen

From: Caroline CALDWELL [ccaldwell002@yahoo.com]
Sent: Monday, February 16, 2009 8:59 PM
To: All Reps; sen@capitol.hawaii.gov; LABtestimony
Cc: Caroline Caldwell
Subject: Testimony

Thank you for allowing me to share my concerns regarding the bills before your committee that could potentially impact not only me but also many of my fellow co-workers.

I believe the following bills will negatively impact both me and many of my co-workers: HB1106, HB1718, HB1719, HB1725, HB1723, HB1715, HB1726, HB1727.

As a grounds worker with DAGS who services the Windward side of Oahu and also as chief steward with UPW, I have had the opportunity to see and to talk to some state blue and white collar co-workers.

Just this past week I've heard from a few of my co-workers how the proposed cutbacks will negatively impact them if these bills become law. One of DAGS grounds division newest workers shared with me his concern regarding lay-offs. After being laid off and on unemployment, he now hopes furloughing will save his job; he has four young children. A young woman who is a clerk with the Health Department and is a single mother with two young children is very concerned about the financial impact that even a one day a month furlough will have on her. A nurse whose husband has been laid off and who relies on the State medical plan for the whole family is concerned that their family will eventually be required to absorb higher medical bills. My supervisor is now seriously considering retiring three years earlier than he had planned so that he can be grandfathered into the present medical plan for retirees.

As legislators I trust that you will carefully consider the potential for "unintended consequences" not only for state government workers but also how these bills may negatively impact our state economy as a whole. As of this writing I also plan to retire before the July 1, 2009, deadline to be grandfathered into the state retiree medical plan. Obviously, if these bills impacting me are killed, I will be able to change my mind on retiring early.

Thank you for your time and serious concern for the workers in the state.

Sincerely,

~/Lee Caldwell

hm 235-8956

cell 722-5271

yamashita2 - Kristen

From: Keoki Miyamoto [keoki104@yahoo.com]
Sent: Monday, February 16, 2009 8:25 PM
To: LABtestimony
Cc: keoki104@yahoo.com
Subject: Testimony for HB 1725, 1723, 1715, 1726 and 1727

Chair Rhoads, Vice Chair Yamashita, and members of the committee:

I am providing testimony in opposition to HB 1725, 1723, 1715, 1726, and 1727. I am Jackie Ferguson-Miyamoto, long time active HGEA leader and elected Trustee of the Employees Retirement System Board. I have about 33 years of state service.

Friday you heard very compelling testimony from the rank and file. For each one that you heard there are a thousand more, across these islands, just like it. These bills are hitting the very core of employees who have committed many hard working years to public service. Not only did we come to public service for the benefits, but we stayed for the benefits and expect to retire with medical benefits like our sisters and brothers before us, and deservedly so.

Stopping any of these benefits is a dangerous proposition that may lead to many not getting the proper health care that costs so much and continues to escalate every year. Children will go without proper dental and vision care simply because families will not be able to afford them. If the employee is forced to pay more for health benefits it will diminish their purchasing power for other things, which will certainly have an impact on the greater community.

In short, these bills are so regressive if they should pass what will they accomplish?

Speaker Say said he introduced these bills to start discussion on this subject. Well this is not the venue.

yamashita2 - Kristen

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 16, 2009 8:45 PM
To: LABtestimony
Cc: purple66line@hawaiiantel.net
Subject: Testimony for HB1723 on 2/17/2009 8:30:00 AM

Testimony for LAB 2/17/2009 8:30:00 AM HB1723

Conference room: 309
Testifier position: oppose
Testifier will be present: No
Submitted by: GLENN F. PARK
Organization: Individual
Address: 2222 aLOHA DR, 901 HON, HI
Phone: (808) 924-3643
E-mail: purple66line@hawaiiantel.net
Submitted on: 2/16/2009

Comments:

Chairman Rhoads, Vice-Chairman Yamashita, and Members of the Committee on Labor and Public Employment

Thank you for the opportunity to submit testimony. I am employee with the State of Hawaii. For the past twenty, I have worked as social worker serving adults, children and families. I will be eligible for retirement after July 1, 2009.

I am opposed to House Bills HB 1723, 1725, 1726, and 1727.

Hawaii families have been hit hard in the pocketbooks due to skyrocketing health costs and stagnant wages said Ron Pollack, Executive Director of national organization for health care consumers. As a result many are paying much larger portions of their paychecks on health care which is becoming less and less affordable. Mr. Pollack goes on to say that if this troubling trend continues, the health care affordability crisis will get much worse and many will become uninsured and underinsured. If earnings continue to lag behind fast rising health care costs, many will face diminishing economic and health security.

The House Bills propose to halt, prohibit provision prescription drug, dental and vision coverage under EUTF, limit employer contribution to 55% and make it non-negotiable, and curtail EUTF payment for life insurance benefits. In order to protect health benefits earned over the years, I have little choice but to submit involuntarily papers for early retirement. Early retirement will result in a pension benefit reduction of 6% for each year under age 62. On a fixed income of a lesser amount, I will be faced with paying health plan, insurance premiums and prescription, dental and vision coverage out-of-pocket.

In the rush to address, resolve the significant and possibly protracted economic downturn facing the State, the proposed House Bills fail to consider the human cost.

Glenn F. Park
HGEA Member
2222 Aloha Drive, #901
Honolulu, HI. 96815-2807

LATE

Sharon Wong
1054 Kaupaku Place
Honolulu, HI 96825
February 16, 2009

Representative Karl Rhoads
Chair, House Committee on Labor and Public Employment
28th Representative District
Hawaii State Capitol, Room 326
415 South Beretania Street
Honolulu, HI 96813

Representative John Mizuno
Vice-Chair, House Committee on Labor and Public Employment
12th Representative District
Hawaii State Capitol, Room 422
415 South Beretania Street
Honolulu, HI 96813

RE: IN OPPOSITION TO:

- 1) HB1725 – Halt prescription drug coverage under EUTF;**
- 2) HB1723 – Limit employer contribution to 55% and make it non-negotiable (health care);**
- 3) HB1715 – Increase, for new employees, the age and service time requirement to retire;**
- 4) HB1726 – Curtail EUTF payment for life insurance benefits;**
- 5) HB1727 – Prohibits provision of dental and vision coverage.**

**HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON TUESDAY, FEBRUARY 17, 2009, 8:30 A.M., CONFERENCE
ROOM 309**

Dear Chair Rhoads, Vice-Chair Yamashita, and Members of the Committee:

Thank you for providing the opportunity for me to testify. My name is Sharon Wong and I have been a public employee for twenty years. I chose to remain a public servant because of my commitment to work for the citizens of Hawaii and for the benefits of public employment. While I understand the State's bleak financial situation, I do not support HB1725, HB1723, HB 1715, HB 1726, and HB1727, which all aim to reduce public employee benefits as the solutions to balance the State budget.

All of these bills reduce the benefits of public employment. When I joined State government twenty years ago, I took a 30% pay cut, coming from a private employer. It was difficult to live on 30% less pay, but I thought that the other benefits made up for most of that difference. So far, I dedicated twenty years of my working career to government service because I value the entire benefits package. My current salary is low, compared to industry standards. If these bills become law, then I and other public

Page 2

House Committee on Labor and Public Employment

RE: HB1725, HB1723, HB 1715, HB 1726, and HB1727

February 16, 2009

employees will be in a difficult financial situation, as we will need to pay for our own health coverage and life insurance benefits. Even worse, if these unanticipated costs are more than what we can pay for, we may be in a position to forego this coverage and benefits, putting our health at risk.

Please vote "no" on HB1725, HB1723, HB 1715, HB 1726, and HB1727. Thank you for your consideration.

Sincerely,

Sharon Wong
(via email)

LATE

Sharon Wong
1054 Kaupaku Place
Honolulu, HI 96825
February 16, 2009

Representative Karl Rhoads
Chair, House Committee on Labor and Public Employment
28th Representative District
Hawaii State Capitol, Room 326
415 South Beretania Street
Honolulu, HI 96813

Representative John Mizuno
Vice-Chair, House Committee on Labor and Public Employment
12th Representative District
Hawaii State Capitol, Room 422
415 South Beretania Street
Honolulu, HI 96813

RE: IN OPPOSITION TO:

- 1) HB1725 – Halt prescription drug coverage under EUTF;**
- 2) HB1723 – Limit employer contribution to 55% and make it non-negotiable (health care);**
- 3) HB1715 – Increase, for new employees, the age and service time requirement to retire;**
- 4) HB1726 – Curtail EUTF payment for life insurance benefits;**
- 5) HB1727 – Prohibits provision of dental and vision coverage.**

**HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON TUESDAY, FEBRUARY 17, 2009, 8:30 A.M., CONFERENCE
ROOM 309**

Dear Chair Rhoads, Vice-Chair Yamashita, and Members of the Committee:

Thank you for providing the opportunity for me to testify. My name is Sharon Wong and I have been a public employee for twenty years. I chose to remain a public servant because of my commitment to work for the citizens of Hawaii and for the benefits of public employment. While I understand the State's bleak financial situation, I do not support HB1725, HB1723, HB 1715, HB 1726, and HB1727, which all aim to reduce public employee benefits as the solutions to balance the State budget.

All of these bills reduce the benefits of public employment. When I joined State government twenty years ago, I took a 30% pay cut, coming from a private employer. It was difficult to live on 30% less pay, but I thought that the other benefits made up for most of that difference. So far, I dedicated twenty years of my working career to government service because I value the entire benefits package. My current salary is low, compared to industry standards. If these bills become law, then I and other public

Page 2
House Committee on Labor and Public Employment
RE: HB1725, HB1723, HB 1715, HB 1726, and HB1727
February 16, 2009

employees will be in a difficult financial situation, as we will need to pay for our own health coverage and life insurance benefits. Even worse, if these unanticipated costs are more than what we can pay for, we may be in a position to forego this coverage and benefits, putting our health at risk.

Please vote "no" on HB1725, HB1723, HB 1715, HB 1726, and HB1727. Thank you for your consideration.

Sincerely,

Sharon Wong
(via email)

LATE

yamashita2 - Kristen

From: Hiapo Perreira [hiapo@leoki.uhh.hawaii.edu]
Sent: Monday, February 16, 2009 8:20 PM
To: Rep. Karl Rhoads; Rep. Kyle Yamashita; Rep. Henry J.C. Aquino; Rep. Karen Awana; Rep. Faye Hanohano; Rep. Gilbert Keith-Agaran; Rep. Marilyn Lee; Rep. Mark Nakashima; Rep. Scott Saiki; Rep. Joseph Souki; Rep. Roy Takumi; Rep. Kymberly Pine; LABtestimony
Subject: DO NOT SUPPORT HB 1727

Distinguished Representatives of the House Committee on Labor and Public Employment:

My name is Hiapo K. Perreira and I am an Assistant Professor of Hawaiian Studies at UH Hilo. I am emailing to express my complete opposition to the HB 1727 relating to the Hawai'i Employer-Union Health Benefit Trust Fund: Dental-Vision Prohibited to be heard on February 17 @ 8:30am. I urge you to vote likewise.

VOTE TO OPPOSE!!!

Respectfully submitted,

Hiapo K. Perreira
PO Box 6225
Hilo, HI 96720

yamashita2 - Kristen

From: Lynn Donovan [lyndono40@hotmail.com]
Sent: Monday, February 16, 2009 8:15 PM
To: LABtestimony
Subject: Bills Targeting Public Servants

Chairs Rhoads, Vice Chair Yamashita, and members of the committee,

Thank you for the opportunity to submit testimony today. My name is Lynn Donovan. As a public employee for more than 25 years, I am very concerned and upset about all the bills targeting public employees. I have worked and continue to work for significantly less than in the private sector. I hope that I live long enough to be able to retire with a decent pension and benefits after all the years of dedicated public service. There are a number of us that have accepted the lower salary in exchange for this promise.

Please see my comments regarding some of the bills that will take away public employee benefits:

HB 1725 - stop covering prescriptions. Many employees will be forced to choose between medications and other basics. As a result more sick leave will be needed and/or productivity will be harder to maintain. As an employer that is demanding employees do more with less resources, this is very counterproductive. Medications are essential for so many.

HB723 - limit employer contributions to 55% for medical costs and this will be non-negotiable. This will mean increased health costs for public employees that are already struggling to cover basics. Making this a non-negotiable benefit is a big concern.

1727- prohibit coverage of dental and vision for public employees. Again, the health of public employees is critical to maintaining a productive workforce that is constantly being expected to do much more with less. Loss of these important health benefits will negatively impact providers of these services as many employees will need to make choices between such things as new glasses to see better versus paying for food and other essentials. This will negatively impact the State economy.

Will cuts in benefits be implemented for everyone that works for the State? The governor, cabinet, judicial, exempt positions etc? Will these impact former governors, legislators etc?

The State needs look at ways to help employees save money on basics so at least the current salary will go a little farther.

Examples:

1.) Allowing public employees to telecommute 1 or 2 days a week would reduce travel costs allowing more dollars to be used for other essentials that keep getting more expensive. In my case, there are no buses from the windward side to Kapolei - the "second city" and I have emailed concerns to the local City and County officials. The response has not been positive. Gas and vehicle repairs are major costs for those who have to commute long distances. The cost of gas is starting to creep up again.

2.) Electricity rates are high so are another significant cost of living. We currently have solar water heating and have cut back on energy usage by drastically reducing A/C, turning off lights, installing a

more sophisticated timer on the water heater etc. I want photovoltaic panels installed to save on energy costs and am sure there are others that would like to do the same. There are some tax credits but the cost of installation - needing a building permit and having to meet a wide variety of regulations increases the cost - making this much more financially difficult for the public including State employees. Streamlining this process to make it more affordable would also benefit the community by reducing the State's dependence on imported oil. It is challenging to afford larger mortgage payments to go "green" when benefits are being threatened and furloughs are being discussed.

Speaking of energy costs, the building where I work is so very cold. I have to wear multiple layers of clothes. It must cost a lot for the A/C to work that hard all day. Workmen came recently to remove some of the lights in the office to save energy which seemed so very minor compared to the amount to keep the building that cold. I understand the State has to find ways to pay these high electrical bills and other costs. Public employees are being bombarded with cuts in benefits which is very frustrating. Better control of costs should be a priority.

There is so much discussion about stimulating the economy and people need money to spend. These bills will force a lot of people to cut back on spending thereby worsening the recession. A number of state employees are the sole source of income for their families. We are being told to save money in case we lose our job. It is impossible when struggling to cover the basics.

Positions have been frozen and resources reduced which makes jobs more difficult for employees still working for the State.

More fees and increased taxes on gasoline etc. are being proposed to fund large transportation projects. Many taxpayers are concerned about how to pay these increased costs and that these collected funds are used appropriately. There needs to be sufficient oversight by the State on contracts and contractors need to be held accountable. If they don't provide services appropriately, they should be paid accordingly. The tax for rail transit has made everything cost more and I am sure the projected costs are not nearly what the actual ones will be. I expect to pay a lot more in the coming years.

I understand there is a large budget deficit that needs to be addressed. There must be other ways that can positively impact the budget and not punish public employees struggling to meet the ever increasing demands of the job and still afford to live in Hawaii. These are very difficult times and I am certainly feeling the effects. I know others are suffering more and yet others are doing very well.

Thank you for considering my comments and concerns when voting on bills that will hurt public employees and their families. There are a number of other bills being considered this session.

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LATE

yamashita2 - Kristen

From: Lorene CS [lorene.cs@hawaiiantel.net]
Sent: Monday, February 16, 2009 8:15 PM
To: LABtestimony
Subject: Please do not take away our hard earned benefits HB1718, HB1719, HB1723, HB1725, HB1727

Regarding HB1725 Halting prescription drug coverage under EUTF
HB1727 Prohibiting provision of dental and vision coverage
HB1723 Limiting employer contribuion to 55% and makd it non-negotiable
HB1718 Halting reimbursement for medicare part B premiums
HB1719 Stopping employment contributions for health benefits

Please do not pass these bills. My husband and I are both state employees, each with 20 + years of service. We do not feel this is fair. Please leave the prescription drug, dental, and vision coverage in place as is. We need the medical assistance. Also as we look ahead for retirement in the future, please do not tamper with the retirement benefits. If protecting our current medical and retirement coverage could be worked out through furloughs, done with the protection of our benefits as outlined in HB1106, we would support furloughs.
Chad and Lorene Saldebar

LATE

yamashita2 - Kristen

From: Marbeth Aquino [akau_aquino96795@yahoo.com]
Sent: Tuesday, February 17, 2009 4:28 AM
To: LABtestimony
Cc: akau_aquino96795@yahoo.com; Paul Akau; Kamakana Aquino
Subject: *****SPAM***** BILLS #1106, #1719, #1725, #1723, #1726, #1727, #1715

ALOHA,

AGAIN, I AM AGAINST THE TAKING AWAY FROM YOUR EMPLOYEES BECAUSE, WE SHOULD NOT BE HELD LIABLE FOR YOUR MISTAKES IN YOUR SPENDING. I CALL ON ALL OF YOU AS LEGISLATURES. TO MAKE THINGS RIGHT AND PONO. PLEASE HEAR THE PEOPLE OF HAWAII. REMEMBER WE ARE TAX PAYORS, TOO!

MAHALO

yamashita2 - Kristen

From: ANTONIE WURSTER [AVWALOHA4321@msn.com]
Sent: Tuesday, February 17, 2009 6:45 AM
To: LABtestimony
Subject: Opposition to HB 1727

Hawaii already had poor dental health as a result of excess sugar consumption. These problems will certainly be aggravated by prohibiting the EUTF from using State funds to provide dental and vision benefits for six years. This bill would lead to employees deferring preventive dental and vision care and result in more expensive corrective procedures after 6 years. Is this what the House wants to achieve?

Please reconsider the impacts of this take away bill.

yamashita2 - Kristen

From: milton m [m_mukai@hotmail.com]
Sent: Tuesday, February 17, 2009 6:43 AM
To: LABtestimony
Subject: *****SPAM*****

Hi, my name is Milton Mukai and I work for the University of Hawaii at Manoa and am a member of the HGEA.

I'm also a taxpayer and spend my money at local businesses regularly to buy food, clothing and other needs such as medication; my copayment amounting to approximately 9% of my net income per month and have received recent notification of an increase in my rent of about 8% effective March 2009.

I don't believe it's fair for the House to be looking at ways to balance the budget on the backs of public employees. I work hard at my job and things are even harder now since vacancies have been frozen in the department I work with and demands for services have increased.

Less income means less spending that will only contribute to the erosion of the fading economy and I fail to see the rationale behind some of the bills recently introduced in the State of Hawaii Legislature by Representative Calvin Say which I feel is mean spirited and targets Hawaii government workers and their families:

HB1725 – Halt prescription drug coverage under EUTF;
HB1723 – Limit employer contribution to 55% and make it non-negotiable;
HB1715 – Increase, for new employees, the age and service time requirement to retire;
HB1726 – Curtail EUTF payment for life insurance benefits;
HB1727 – Prohibits provision of dental and vision coverage.

He should be ashamed of himself for viewing public workers in this light who work hard to serve the public; not become scapegoats.

I've made a career in public service knowing that my pay may not be as good as in the private sector but I could rely on retirement and health benefits for myself and my family. I think it's wrong for representatives to take these benefits away from me.

Please look for other ways to balance the budget. Raising the excise tax would be a fairer way to address the state's revenue problem. Everyone paying a little more will mean sharing the burden during these tough times.

Thank you,

Milton Mukai

See how Windows connects the people, information, and fun that are part of your life. [See Now](#)

yamashita2 - Kristen

From: ANTONIE WURSTER [AVWALOHA4321@msn.com]
Sent: Tuesday, February 17, 2009 6:36 AM
To: LABtestimony
Subject: Opposition to HB 1723, HB HB 1726, and HB 1727

Follow Up Flag: Follow up
Flag Status: Completed

I oppose HB 1723. It is unacceptable for the State to first refuse to bargain on cost items and then change the law on what is negotiable. Would the Legislature take a broader and more comprehensive view of the economic problems facing the State and the economic problems that will face public employees if such a measure is passed?

yamashita2 - Kristen

From: vctom30587@aol.com
Sent: Tuesday, February 17, 2009 5:45 AM
To: LABtestimony
Subject: HB1727 Prohibits provision of dental and vision coverage from 07/01/09 to 6/30/2015

Chair Rhoads, Vice Chair Yamashita, and members of the committee:

Thank you for the opportunity to submit testimony for your consideration. My name is Vicki Tom. As a public employee for 23 years, I am deeply concerned by the bills introduced by Speaker Calvin Say. Specifically: HB1727.

HB1727 prohibits the health benefits plan of the employer-union health benefits trust fund from providing dental and vision coverage from 07/01/2009 until 06/30/2015.

Having twice-a-year dental checkups and annual eye exams are highly recommended by the medical profession. My dentist has advised me to visit every three months and each visit incurs out-of-pocket expenses even with dental coverage. I'll continue this schedule because healthy teeth and gums affect the heart and overall health of a person.

Regular eye exams screen for glaucoma and other eye conditions, as well as check for any vision changes or abnormalities. Clear vision and healthy eyes are necessary for public workers to service the public accurately and efficiently.

We are worried that many may choose to sacrifice their dental and eye health, which can have life time effects, by not seeing a dentist or eye doctor for annual checkups because they can not afford to pay for the visits without the coverage.

Congress is passing legislation for broader health coverage, not prohibiting health benefits.

Please vote NO on HB1727. Thank you.

yamashita2 - Kristen

From: PHYLLIS TOM [pk_tom@msn.com]
Sent: Tuesday, February 17, 2009 6:18 AM
To: LABtestimony
Subject: HB 1723, HB 1726, HB 1727

Chair Rhoads, Vice Chair Yamashita, and members of the committee:

Thank you for the opportunity to submit testimony today. My name is Phyllis Tom and I have been a public employee for 25 years. I am deeply upset by the following bills HB 1726 and especially HB's 1723 and 1727.

HB 1726 curtailing the EUTF benefit for life insurance benefits just states that Hawaii public employees are expendable.

HB 1723 just continues to add to the economic decline of this state. Health benefits are already a large payment from my wages and additional 5 percent would just snap my already stretched budget. I also think the benefits should continue to be negotiable so that the employer would continue to offer quality health coverages.

HB 1727 is too extreme. With the amount of administrative duties and no vision benefits just how effective will public service be if I eliminate my yearly checkup and new lenses while my vision deteriorates. I have seen the effects of two co-workers (in an office of 30 employees) who chose not to upgrade their prescription lens and the multitude of errors that I personally had to help correct. Just imagine an entire office, division or department who chose that same route for that matter. Removing dental benefits would have similar problems while employees waited instead of attending to yearly checkups.

By looking at only the short term solution, these bills do not take into account the detrimental long term effects and how it will impact the community which are made up of the public employees and their beneficiaries. Please vote "no" on all of these bills that take away benefits from public employees.

Sincerely,

Phyllis Tom

LATE

House of Representatives
The Twenty-Fifth Legislature
Regular Session of 2009
Committee on Labor & Public Employment

Testimony by Elienne Yoshida
Pearl City, Hawaii
February 17, 2009

I oppose the following House Bills:

HB 1723 RELATING TO PUBLIC EMPLOYMENT
HB 1726 RELATING TO THE HEALTH FUND
HB 1727 RELATING TO THE HAWAII EMPLOYER-UNION HEALTH
BENEFITS TRUST FUND

My name is Elienne Yoshida. My husband and I work for the State of Hawaii. He started working for the State in 1972 and I in 1975. I strongly oppose HB 1723 which makes employer contributions to the employer-union health benefits trust fund non-negotiable under collective bargaining. Establishes employer contributions for active public employees at 55 per cent of monthly cost of the health benefits plan; HB 1726 Prohibits the Hawaii employer-union health benefits trust fund from providing group life insurance benefits if any of the premiums are paid by the State or a county. Allows the trust fund to contract with a group life insurer to make available group life insurance benefits to employee-beneficiaries provided that none of the premiums are paid by the State or any county and the insurer pays a fee to the board of trustees; and HB 1727 which prohibits the health benefits plan of the employer-union health benefits trust fund from providing dental and vision coverage from 07/01/2009 until 06/30/2015. Allows the board of trustees to make dental and vision benefits available to employee-beneficiaries at no cost to the employers.

I oppose these bills because my husband and I were hired, to work full time, with medical benefits that included drug, vision and dental coverage. In addition to this we were told that we would have an employer paid life insurance. When the HGEA and the State and County employers went to binding arbitration 2 years ago, we were awarded pay raises along with a provision that our employer would pay 60% of our monthly medical premiums.

Losing our free life insurance with the passage of HB 1726 is especially hard on our family since we are in our late 50's with children under 18 years old. Should HB 1723 and HB1727 come out of committee, the government will not be true to their side of the bargain and my husband will need to retire to preserve what was rightfully promised to us. We have worked hard to service the public for over thirty years and made sacrifices with wages that did not keep up with inflation. Our income will be greatly reduced should my husband retire to preserve our medical

plan coverage and it will be a hardship to support our family. We have 3 children; the youngest is in 7th grade. My sixteen year old is thinking of looking for a full time job while attending school to help with the family finances as prices rise.

We fairly paid premiums for our health insurance for over thirty years. For the first 20 years, we hardly used the medical benefit, which paid for others in need but now when we need it, our vision and dental benefits will be suspended for 6 years. In order to keep our vision and dental coverage we will need to pay for the entire cost, but we will not obtain any pay raises to aid in this payment. The Consumer Price Index (CPI) percent change for 2006 through 2008 was 5.8, 4.9 and 4.2 (estimated) respectively. In 2009, the Department of Business and Economic Development projects a 2.9 percent increase. This increase is an overall increase in cost of goods and services. The medical CPI will probably increase at a greater percentage. It is a struggle to pay bills. In addition to this, we will need to pay any increased taxes that are passed in this legislative session. It seems that state and county government workers will be used twice to offset the state deficit.

In the past, when there were changes to the health fund, workers who were hired before the date of the law were grandfathered in, this is what should rightfully happen if the time limited suspension of drug, vision and dental coverage occurs.

I believe these bills are immoral by disregarding agreements and put Hawaii's government in a negative light of half promises, create hardship in the lives of countless families and should not be passed.

In summary, many experienced workers may retire before July 1, 2009 to keep their medical benefit that the State promised them. With the hiring freeze in place, many programs will be jeopardized by the sudden and large departure of these valued employees. All those left behind will suffer greater workloads unless they are able to pay for additional interim medical costs of vision and dental. I urge you to stop these bills and to ethically keep your promises.

Thank you for the opportunity to testify in opposition of HB1723, HB1726, and HB1727.

February 17, 2009

LATE

The Honorable Karl Rhoads, Chair
And members
Committee on Labor & Public Employment
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Rhoads and Members:

**SUBJECT: House Bill No. 1723, Related to Public Employees
House Bill No. 1715, Relating to Retirement
House Bill No. 1726, Relating to Health Fund
House Bill No. 1727, Relating to Hawaii Employer-Union Health Benefits
Trust Fund**

The purpose House Bill No. 1723 makes employer contributions to the employer-union health benefits trust fund non-negotiable under collective bargaining and establishes employer contributions for active public employees at 55 percent of monthly cost of the health benefits plan.

The purpose of House Bill No. 1715, Relating to Retirement increases, for new public employees, the minimum age and length of service for an unreduced service retirement allowance.

The purpose of House Bill No. 1726, Relating to Health Fund, prohibits the Hawaii employer-union health benefits trust fund from providing group life insurance benefits if any of the premiums are paid by the State or a county. Allows the trust fund to contract with a group life insurer to make available group life insurance benefits to employee-beneficiaries provided that none of the premiums are paid by the State or any county and the insurer pays a fee to the board of trustees.

The purpose of House Bill No. 1727, Relating to Hawaii Employer-Union Health Benefits Trust Fund, prohibits the health benefits plan of the employer-union health benefits trust fund from providing dental and vision coverage from 07/01/2009 until 06/30/2015. Allows the board of trustees to make dental and vision benefits available to employee-beneficiaries at no cost to the employers.

These bills are attempt to solve the economic downturn and financial crisis facing the State of Hawaii and its respective Counties will hurt the very people who will be instrumental in turning this crisis around. Public employees have always been the most dedicated people in Hawaii; most have given up larger salaries because they truly believe in civil service. The State and Counties made a promise to these employees on the date of their hire, insuring a good retirement system, which included health coverage. This promise kept many intelligent leaders of which the State and Counties have benefited from over these vast years, from seeking higher compensating jobs with the private sector.

Many in our department will need to work much past their maximum years of service for retirement date in order to retain medical coverage and with no benefit to their retirement, as their pension compensation percentage would be locked with their years of service.

Police officers don't contribute to Social Security; therefore, officers who retire with 32 years of service often work part time to secure some social security benefits. This legislation, if passed will cause numerous retirements before July, 2009 and will create an immediate impact on all State and County services. Department Heads, Police and Fire Chiefs, upper management from all sectors of State and County who have the time to retire will retire to preserve their benefits.

To make the employer contributions to the employer-union health benefits trust fund non-negotiable under collective bargaining and to establish employer contributions for active public employees at 55 percent of monthly cost of the health benefits plan is very costly. Further, to prohibit the Hawaii employer-union health benefits trust fund from providing group life insurance benefits if any of the premiums are paid by the State or a county and to prohibit the health benefits plan of the employer-union health benefits trust fund from providing dental and vision coverage from 07/01/2009 until 06/30/2015 is cruel. It appears as though the State is renegeing on their promises to their employees and punishing them at the same time.

Lastly, the extended retirement age of 65 years old or 30 years of service will be physically and mentally challenging for Police Personnel. Sixty-five years old is rather old to be chasing down criminals. Most Law Enforcement Agencies retire their officers at 20 years of service. Injuries to our personnel and public will likely increase and it will be costly.

Should these Bills pass legislation, you will lose the trust of the people you employ. I certainly do not support these House Bills.

Thank you for the opportunity to testify.

Sincerely,

Sgt. T. Nishida
Maui Police Department
Lahaina District

From: Naomi Imai [sue55ko@yahoo.com]
Sent: Tuesday, February 17, 2009 2:41 AM
To: LABtestimony
Subject: Testimony for Tues., Feb 17 RE: Union Benefits

Commitments made to existing State employees should be honored and changes negotiated with the Union.

DOING MORE WITH LESS HASN'T BEEN WORKING AND IT'S GOING TO GET WORSE.

When State programs are cut during a time when there is more unemployment, homeless individuals and families, increase in alcohol/substance abuse, and crime, State workers will be carrying increased caseloads. They will be pressured to meet Federal and State laws that have made direct service delivery time-consuming, overloaded with the collection of data to show "evidence-based" outcomes, and completing insurmountable amount of paperwork so the government can justify programs. Workers are pressed to provide service in a timely manner and/or document everything they do to show sufficient effort have been made to service the consumer and in a timely manner. They must educate and provide options to consumers so they have "consumer's choice." The laws emphasize human service/social workers need to provide "person-centered/family-centered" service; and deal with individual/families who work to become self-sufficient but more and more individuals are manipulating these laws to get what they want as a way to survive without demonstrating good intent/responsibility and threatening workers to take them through mediation and/or fair hearing. It's a major burnout for State workers who provide direct service.

Still workers are constantly trying to met all these demands bestowed on them by lawmakers in the attempt for lawmakers to please constituents from all sides, and leave front-line workers having to go through long drawn out mediations and fair hearings to be fiscally responsible for the State.

Too often laws establish requirements on programs without funding sources. Workers are told they must meet program goals regardless of staffing storages, long delays in replacing vacancies and increase in caseloads. However, supervisors often are told they cannot pay overtime. Almost always State positions are frozen during the Legislative session which cases more hardship for line workers since this is the time administrators request data for the legislators.

I left my position as a direct service provider because there was very little advocacy to improve the working condition. The mental health of many of these workers are weakening. The bills proposed by Rep. Calvin Say only enhanced the negative image that the public has about State workers, and passing these bills that take away security and benefits in such a drastic measure will push many worker in a worse state of mental health. There's good and bad State workers, but many have been working overtime with no pay, taking work home, etc. quietly for many, many years because it's the only way they can keep up with such large cases and over-demanding consumers who have lawmakers on their side.

My recommendation is that lawmakers take a broader look of the government's system. Assess programs not only by reports from heads of the program but by meeting the front-line workers, and start writing laws that support State workers in completing their job by serving consumers in a fair and efficient manner. You'll find a much more productive worker in that way. Consider what the private sector would do in this situation-possibly cutting back services 'cause you don't have the money to delivery the goods.

Look at the "in direct services" that are taking away from "direct services." For example, the cost of gathering data has grown enormously at your demand--how much are programs paying

for computers, computer software/programmers to develop new data for the Feds and State Legislators. What about the enormous amount of studies by academics with no work experience in the field to show "evidence-based" data to prove a program is justified. Or the amount of monies that go towards "administrative costs."

HB 1723 - Opposed. The state should negotiate with the union.

HB 1725 (RX) and 1727 (dental and vision). Opposed. Section 6and shall be repealed on June 30, 2015; PROVIDED THAT THE DEFINITION OF "HEALTH BENEFITS PLAN" UNDER....HRS, IS REENACTED...." implies it "may" not be temporary. This is sneaky.

HB 1106 - Opposed. There doesn't need to be a law to negotiate furloughs with the union. Giving the governor the power to determine the need to furloughs appears to be a control issue for the future.

Many of the bills target workers nearing the retirement age. We shouldn't be targeted that way.

Naomi Imai

Dear Committee Members,

This letter is in opposition to House Bills 1715, 1723, 1726 and 1727.

My name is Pat Tompkins. I would first like to thank you for the courage you exhibited last Friday when you Held or Killed House Bills 1106, 1718, 1719 and 1725. These bills were bad, unfair and would have resulted in numerous unintended consequences had they been passed out of committee.

The bills you are hearing today are also bad. I hope you will see that they are dealt the same fate as those heard last Friday.

Please consider the following points:

HB 1715 proposes to increase the minimum age and length of service requirements for retirement for new employees. While this seems like something a current employee like myself might not consider important, let me share why I think it is. It is unfair to have two people working side by side doing the same work who do not share in benefits equally. We saw this happen during the Cayetano administration when we were forced to accept fewer sick and vacation days for new hires if we wanted to get our arbitrated pay raise. We found that it was an unfair employment practice then and sought to have it rectified during our next arbitration hearing, which it was. I feel this bill is similar and will result in reducing the pool of qualified applicants even further than we currently experience when recruiting for open positions.

HB 1723 proposes to make the Employer's contribution to the EUTF non-negotiable and caps it at 55% of the total insurance premium. This is patently unfair on two levels. First, this is our right through collective bargaining and it should not be taken away. Second, employees cannot negotiate coverage and therefore have no say in controlling costs. With the employer's contribution capped at 55%, there would be even less incentive to control costs.

HB 1726 proposes to prohibit the EUTF from providing group life insurance if any of the premiums are paid by the Employer. For many, this group life insurance is their only life insurance. Many would be ineligible to purchase insurance on the open market due to pre-existing conditions. Group life insurance is relatively inexpensive when purchased in the quantity it currently is. Please guarantee this benefit for the future for all employees.

HB 1727 proposes to prohibit the EUTF from providing dental and vision coverage from 07/01/09 through 06/30/15. These two types of insurance are very important in the role of preventing more serious illnesses. Infections, if left untreated can progress to painful illnesses and even fatalities. Regular eye and vision exams often tip off more serious problems such as heart disease and glaucoma.

I hope you will consider the testimony you received for the bills you heard last Friday as well as the additional testimony for the bills to be heard today and do the right thing – Kill the Bills that hurt public workers.

Once again, in closing, public workers know economic times are tough. We're working harder and smarter and we will continue to do our share to help strengthen our home state. But we are not willing to be made the scapegoats for all that ails Hawaii. No one person or entity created this situation. Likewise, no one person or entity will be able to get us out of it. We stand ready to support our elected officials but only if they support us.

Thank you for your consideration.

Pat Tompkins
Waianae, Hawaii

yamashita2 - Kristen

From: jnfaus@hawaii.rr.com
Sent: Tuesday, February 17, 2009 12:47 AM
To: LABtestimony
Subject: HB1715, 1723, 1725, 1726 & 1727

Relating to the above bills that will affect government employees' health and retirement benefits Labor Committee Tuesday, February 17, 2009 8:30 a.m.

Chairperson Rhoads and members of the committee:

My name is Judy Faustino and I work for the Department of Agriculture and am an HGEA member. I strongly oppose H.B. Nos. 1723, 1725, 1726, 1727 and any other proposals that would take away the benefits that I have worked so hard for. I also oppose HB1715 which proposes to increase the age and service time requirement for new employees

I don't believe it's fair for the House to be looking at ways to balance the budget on the backs of public employees. I've made a career in public service knowing that my pay may not be as good as in the private sector but I could rely on retirement and health benefits for myself and my family. When I left the private sector, I took a cut in pay knowing that the benefits the State offered would make up for it.

>

> I think it's absolutely wrong for legislators to take these benefits away from me.

>

> Please look for other ways to balance the budget. Although an unpopular choice, raising the excise tax would be a fairer way to address the state's revenue problem. Everyone paying a little more will mean sharing the burden during these tough times.

Regarding HB1715, it should not apply to those already employed by the State. In my personal situation, I am eligible to retire at age 55 with 30 years of service. I honestly think 55 years old is a bit young to retire; however, 30 years of service should not be changed as I believe that is a long time to invest in one's retirement.

>

> Thank you for allowing me to comment on these very important issues.

>

> Judy Faustino

yamashita2 - Kristen

From: Jennifer Carrell [jcarrell1981@yahoo.com]
Sent: Monday, February 16, 2009 11:34 PM
To: LABtestimony
Subject: HB1715,18,19,26,25,26,27,37

To Whom it May Concern (and that should be everybody),

What ever happened to TRUST? Contracted Deals? TRUST? Respect? We elected you so that you could stab us in the back and take away all that was promised to us when we started Yesterday? 10 years ago? 20 years ago? If I had only known when I first started, I would've gone to work for GEICO, and earned so much more money than I am know But after working out side, I came here to City and County Gov't Employee because I didn't want to end up like my Mom who retired from the Feds and got nothing in medical, dental, drugs or vision, but at least she go medicare B.

This just came out of left field. How about you subject this policy to people hired after 7/1/09. See how many people want to be hired after that. Isn't this more of a contract negotiation w/Union people and making a law is just wrong.

I think you are being very unfair and disloyal to the thousands of people who have stayed w/City, County, and State gov't jobs even though the mainland calls to us w/more money, better benefits, but terrible retirement plans.

Some of us actually think we can survive after retirement. Please don't make it more difficult for us to stay. We're just people who need to make a living in these hard times just as you do.

One last question. Who pays for you medical? as a part time employee. And How are you going to be taken care of when you retire? I hear that Senators, and Representatives don't have to give money to Social Security because they pretty much are taken care by themselves. Is this so? There is noone out there to take care of me when I retire.

Please consider what you are doing before you do something really bad.

Mahalo
Jennifer Carrell

Late Testimony

HB 1500

Relating to Worker's Compensation .

**HB1500 – Related to Workers' Compensation**

DATE: February 17, 2009
TIME: 9:30 am
PLACE: Conference Room 309

LATE

TO: House Committee on Labor & Public Employment
Representative Karl Rhodes, Chair
Representative Kyle T. Yamashita, Vice Chair

FROM: A. Roy Koenig, BSN, RN,
President, Claim Check

RE: Testimony in Support of HB1500

Mr. Chair, Vice Chair, and Members of the Committee,

I have in excess of 27 years of experience including Federal Peer Review, Private Utilization Review, Nurse Case Management, Auto Injury Claims Adjusting, Third Party Personal Injury Claims and Worker's Compensation claims management and claims adjusting.

I strongly support HB1500 as a process that will provide an objective resolution to soft-tissue injury cases.

In my personal experience, soft-tissue injury resolution has always been a trial of confrontation and costs. It was always the battle between two conflicting opinions of the same set of medical facts provided by essentially the same qualified medical experts that had the best story to convince a Trier of Facts of the merits of the case based on **subjective opinion**.

Unfortunately, the outcomes were costly, usually biased and the best interest of the claimant was not always the central issue in resolution.

My nursing background focused on seeking the best outcome for the claimant. My insurance claims background focused on seeking the best outcome for my employer. My claims consultant for third party injuries focused on the best outcome for my clients.

My experience in these disciplines allowed me to seek a common ground of focus to discover a process of 'fair and reasonable' resolution to the most difficult cases to resolve – the soft-tissue injury cases.

As a claims adjuster with my nursing background, I could rapidly justify the payment of services for any provider who provided clear Objective Documentation of the problem along with a medical

prognosis assessment. No conflict? Pay the justified services and move onto my next case needing attention.

Over the years, I had developed a computerized model to duplicate the assessment process used to justify payments for soft-tissue injury cases to allow me to increase my efficiency and proved an unbiased assessment using only the objective data documented in the claim file.

From the period of October 2003 through May 2004, we conducted a Beta Pilot Project of the process with Hawaii Insurance Guaranty Association, [HIGA]. HIGA provided 33 soft-tissue injury cases which we profiled using our technology. We had a very interesting outcome.

In addition to resolving ALL of the soft-tissue injury cases assigned, we discovered an interesting "accidental" application we did not expect. We discovered that the profiles allowed the cases to be resolved without bias and conflict as we subsequently learned that all cases were resolved without appeal.

The most startling application was the discovery of the ability to identify behavioral aberrations and anomalies within some cases. Upon further investigation by the client, they were able to resolve those cases without conflict or appeal. In one case that was suspected to be questionable, they used the information provided to resolve the case to the surprise of the claimant's attorney.

Upon conclusion of this HIGA project, we applied for protection under the US Patent Laws and have a patent pending application in place for the process. In addition we have refined and improved the process to provide greater value to our profile findings.

We are confident that the passage and funding of HB1500 will allow us to provide the data requested to the legislature to decide if, indeed, Hawaii based technology will lead the nation in Soft-tissue injury claims reform and save our state and the nation time and money in the fair and unbiased resolution of soft-tissue injury claims.

Impact of Cost and Days Lost – State of Hawaii and State Government

State of Hawaii, Department of Labor and Industrial Relations, Research and Statistics Office, Workers' Compensation Data Book, 2007

	Case Costs	Percentage	Days Lost	Percentage
All of Hawaii	\$247,293,856	100	961,564	100
Hawaii State Government	\$20,255,467	8.2	104,757	10.9

Mahalo,

A. Roy Koenig, BSN, RN

President & CEO

HB1500 – Related to Workers' Compensation

LATE

DATE: February 17, 2009

TIME: 9:30 am

PLACE: Conference Room 309

TO: House Committee on Labor & Public Employment

Representative Karl Rhodes, Chair

Representative Kyle T. Yamashita, Vice Chair

FROM: Gilbert Kurata, Claims Manager, Hawaii Insurance Guaranty Association, Retired

RE: Testimony in **Strong Support** of HB1500

Aloha Chair, Vice Chair, and Members of the Committee,

I have in excess of 42 years of experience with Worker's Compensation claims management and claims adjusting.

I strongly support HB1500 because I have had an opportunity to observe the outcomes of the technology proposed in the bill. In addition, the outcomes supported what I always believed that the best outcomes of open and difficult cases can be resolved using objective information at a greater success rate than the unpredictable outcomes of subjective opinions.

While I was at HIGA, Hawaii Insurance Guaranty Association, I initiated a project using the innovative technology recommended in this bill to help us settle and resolve 33 soft-tissue injury cases that had been open and unresolved for years. The average case age for these claims was about 8 years open. The oldest case was in excess of 36 years of benefits payments.

We used the developmental technology provided by a Hawaii based technology company, Claim Check, that data-mined the OBJECTIVE medical range of motion data provided by the treating providers to compile a Soft-tissue Injury Profile of the claimant injuries.

The **eClaimProfile™** was an extremely effective and helpful tool that allowed our adjusters identify critical resolution benchmarks or identify elements that needed further development to strengthen our resolution plan.

Each **eClaimProfile™**, uniquely summarized the objective data documented in the medical file, such as the percentage of improvement and percentage of deficit of each injury motion for each claimed injury for every provider. This data provided us with the ability to make critical management decisions on the claim.

In addition, the tool identified cases with behavioral anomalies that allowed us to expeditiously resolve questionable claims issues that could have remained hidden in the file without this

technology.

On a case we were convinced was questionable for claimant injuries and medical provider treatment, we were surprised to discover that the objective profile disclosed just the opposite information. We were pleased to settle that case based on our new information. Based on our fiduciary duty upon discovery of this new information, we proposed an adjustment to settle the case at an amount MORE than was asked by the representing attorney. **Perhaps no one was more surprised at our settlement offer than the attorney representing the claimant.**

The initial profiles of the cases identified objective elements that allowed us to settle or resolve 23 cases within a few weeks of receiving the initial profiles. For the remaining 10 cases, we were successful in resolving these cases within a few short weeks from the follow-up profiles conducted about 2-5 months after the initial profile.

Cases that historically had confrontational issues between us and the medical providers or us and the legal representative were resolved without costly additional expenses or appeals. Cases we were preparing for litigation or under litigation were resolved without appeal by either party. For some complex back injury cases, our costs only for an Independent Medical Examination ranged between \$2,500 to over \$12,500 in fees.

The outcomes of this project were startling as I had never had a tool like the Claim Alert Profile act in such a non-biased way to fairly settle our differences with these open soft-tissue injury cases. We successfully concluded our business on these cases without the element of emotion clouding our objective based decisions to the fairness of all parties involved.

Perhaps the most valuable and surprising outcome of this project was the fact that, once both sides saw and understood the findings disclosed by the Claim check Profile, **we eventually resolved all of these cases successfully without an appeal by claimant, provider or legal representative.**

My personal experience with this revolutionary technology leads me to believe that the eClaimProfile™, should be the soft-tissue injury standard for fairness in the industry and a requirement before a costly appeal before the hearings boards.

Significant Findings by the end of the Pilot Project

We conducted this pilot project from October 2003 - May 2004 in Honolulu, Hawaii using the Beta Version developed by Claim Check. I understand that as a result of our intervention, Claim Check has gone on to protect the technology and further develop and strengthen the application with successful outcomes from other clients during the developmental phase.

1. The **eClaimProfile™** was easy to read by non-medical adjusters and provided significant objective information that effectively reduced claims costs and increased adjuster's efficiency in handling their claim inventory.
2. The **eClaimProfile™**, clearly exposed months, and in some instances years, of over

treatment after the claimant's condition had reached Maximum Medical Improvement [MMI], a key element in the safe resolution of open cases.

3. We fairly resolved all questionable treatment issues with a phone call to the involved provider.
4. We achieved a Return of Investment [ROI] in excess of 900%, the residuals of which were an unexpected benefit for future claims handling.

33 Soft-tissue Injury Cases

Case Age Statistics -	Years Case Has Been Open
Average	7.9 yrs
Median	4.5 yrs
Mean	5.9 yrs
Range	1.8 to 36.7 yrs

I will be happy to meet with any members to further elaborate on the positive outcomes as a result of this technology.

A black rectangular redaction box covers the signature area. Above the box, a handwritten signature is partially visible.

Phone Number: (808) 456-2951