

SB1469

Measure
Title:

RELATING TO HEALTH CARE.

Report
Title:

Health Care Services; Consolidation; Office of Health
Care Assurance

Description:

Consolidates the authority, duties, responsibilities, and jurisdiction of the department of human services and the department of health, as they relate to various health care services, to the office of health care assurance in the department of health on July 1, 2012.

Companion:

Package:

None

Current
Referral:

HMS/HTH, WAM

Introducer(s):

CHUN OAKLAND



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

Senate Committees on Human Services and Health

SB1469, Relating to Health (Consolidate Functions)

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Acting Director of Health**

February 10, 2011

1 **Department's Position:** The department understands and appreciates the overall intent of this bill but
2 must respectfully OPPOSE it as currently drafted.

3 **Fiscal Implications:** The fiscal implications are not clear. Although the bill will transfer funding,
4 positions, and resources to DOH, it is not clear if there are any other fiscal and/or human resource
5 implications for the DOH such as new or additional liabilities for accrued vacation and sick leave and
6 for retirement in the event a transferred DHS employee decide to leave state employment or retire.
7 While these general liabilities would not expand under the state in general, the acquiring department will
8 not have budgeted for these new liabilities under the assumed responsibilities.

9 **Purpose and Justification:** This bill is well intended since it seeks ways to streamline governmental
10 operations and gain efficiencies. The department applauds the legislature for their insight and effort.
11 However, the respective operations and potential implications must be more closely scrutinized before
12 the bill is passed to better quantify whether any possible efficiencies would be gained. The department
13 respectfully requests that the DHS and DOH departments be allowed more time to better analyze the
14 potential implications and to work with the DHRD to submit a proposal to the 2012 legislature.

15 Thank you for the opportunity to testify on this important consolidation matter.

NEIL ABERCROMBIE
GOVERNOR



SUNSHINE P.W. TOPPING
INTERIM DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

February 7, 2011

TESTIMONY TO THE
COMMITTEE ON HUMAN SERVICES

AND

COMMITTEE ON HEALTH
For Hearing on Thursday, February 10, 2011
1:15 p.m., Conference Room 016

BY

SUNSHINE P.W. TOPPING
INTERIM DIRECTOR

**Senate Bill No. 1469
Relating to Health Care**

WRITTEN TESTIMONY ONLY

TO CHAIRPERSONS SUZANNE CHUN OAKLAND, JOSH GREEN, MD AND
COMMITTEE MEMBERS

The purpose of S.B. 1469 is to consolidate the authority, duties, responsibilities, and jurisdiction of the Department of Human Services and the Department of Health, as they relate to various health care services, to the Office of Health Care Assurance in the Department of Health on July 1, 2012.

The Department of Human Resources Development has **comments** on the proposed transfer. To protect the rights and benefits of the employees to be transferred, we prefer the following proposed transfer language be used in place

of the second and third paragraphs of Section 3 of the bill:

“All employees who occupy civil service positions and whose functions are transferred to the department of health by this Act shall retain their civil service status (permanent or temporary). Employees shall be transferred without loss of salary, seniority, retention points, prior service credit, any vacation and sick leave credits previously earned, and other rights, benefits, and privileges, in accordance with state personnel laws and this Act, provided that the employees possess the minimum qualifications and public employment requirements for the class and/or position to which transferred or appointed, as applicable, provided further that subsequent changes in status may be made pursuant to applicable civil service and compensation laws.

Any employee who, prior to this Act, is exempt from civil service and is transferred as a consequence of this Act, may continue to retain the employee's exempt status, but shall not be appointed to a civil service position because of this Act. An exempt employee who is transferred by this Act shall not suffer any loss of prior service credit, any vacation and sick leave credits previously earned, or other employee benefits or privileges as a consequence of this Act, provided that the employees possess legal and public employment requirements for the position to which transferred or appointed, as applicable; provided that subsequent changes in status may be made pursuant to applicable employment and compensation laws. The director of health may prescribe the duties and qualifications of such employees and fix their salaries without regard to chapter 76, Hawaii Revised Statutes.”

Thank you for opportunity to offer comments on this measure.

Charlotte A. Carter-Yamauchi
Acting Director

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Assistant Director for Research

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LEGISLATIVE REFERENCE BUREAU
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State Capitol
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Written Testimony

SB1469

RELATING TO HEALTH CARE

Testimony by the Legislative Reference Bureau
Charlotte A. Carter-Yamauchi, Acting Director

Presented to the Senate Committees on Human Services and Health

Thursday, February 10, 2011, 1:15 p.m.
Conference Room 016

Chairs Chun Oakland and Green and Members of the Committees:

I am Charlotte Carter-Yamauchi, Acting Director of the Legislative Reference Bureau. The Bureau appreciates this opportunity to submit the following written comments on Senate Bill No. 1469:

- (1) S.B. No. 1469, among other things, creates an Office of Health Care Assurance within the Department of Health (DOH), and transfers a number of functions from the DOH and the Department of Human Services (DHS) to the newly created Office of Health Care Assurance.
- (2) Section 8 of the measure directs the LRB to:
 - (A) Prepare proposed legislation that substitutes references made to the "department of human services" or the "director of human services" with the "office of health care assurance," "department of health," or "director of health," as appropriate; and
 - (B) Prepare proposed legislation that substitutes references to any specific section or part of chapters 321, 334, and 346, Hawaii Revised Statutes, with the correct corresponding references or referring language, as appropriate.

- (3) The functions being transferred are only described conceptually in the foregoing provision, and the transferred functions may not be as neatly severable under the existing statutory scheme as the language implies. We caution that this may result in a need to rewrite certain portions of existing statutes and not just change terms. Accordingly, that the task directed may be considerably broader in scale and more complex than the description makes it appear.

The Bureau takes no position on the merits of the measure, but notes that, as the measure is presently drafted, the functions required of us appear to be an appropriate assignment for the Bureau, and if so directed, we will undertake them to the best of our ability.

Thank you again for allowing us to comment on this measure.



SENATE COMMITTEE ON HUMAN SERVICES
Senator Suzanne Chun Oakland, Chair

SENATE COMMITTEE ON HEALTH
Senator Josh Green, M.D., Chair

Conference Room 016
Feb. 10, 2011 at 1:15 p.m.

Supporting SB 1469.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of SB 1469, which consolidates the licensing of health care providers in the Office of Health Care Assurance (OHCA).

The Department of Health (DOH) is responsible for licensing certain types of health care, and the Department of Human Services (DHS) is responsible for licensing others. Adult residential care homes and community care foster family homes both serve disabled elderly residents. However, DOH licenses adult residential care homes under one set of rules, and DHS licenses community care foster family homes under a different set of rules. The licensing of both types of HCBS providers by a single agency has the potential to bring the oversight process into greater alignment.

Our members have observed disparity in the oversight process when administered by two different departments despite caring for similar level of care residents/clients. Safety of the resident should be the foremost consideration when determining the best process, regardless of the environment of care. Centralizing the process can also evolve greater transparency in the process.

For the foregoing reasons, the Healthcare Association supports SB 1469.