

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

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

In reply, please refer to:
File:

Committee on Labor and Public Employment

**H.B. 2571, H.D. 1, Relating to Employment Exemption for Domestic Services for
Persons with Developmental and Intellectual Disabilities**

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.

Director of Health

February 14, 2012

1 **Department's Position:** The Department of Health strongly supports H.B. 2571, H.D. 1 Relating to
2 Employment Exemption For Domestic Services For Persons with Developmental and Intellectual
3 Disabilities.

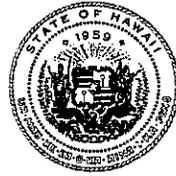
4 **Fiscal Implications:** None.

5 **Purpose and Justification:**

6
7 H.B. 2571, H.D. 1 will amend Sections 383-7, 386-1, 392.5, and 393, Hawaii Revised Statutes, to
8 exempt ineligible Medicaid developmental and intellectual disabilities recipients who are receiving
9 state-funded medical assistance from providing unemployment insurance, workers compensation,
10 temporary disability insurance, and pre-paid health care when contracting or hiring an individual to
11 perform services for them. H.B. 2571, H.D. 1 makes technical, nonsubstantive amendments for clarity
12 and does not change the intent of this bill.

13 This exemption will allow flexibility for individuals receiving state-funded medical assistance but
14 ineligible for Medicaid (Federal assistance through the Home and Community Based Services Medicaid

1 Waiver program (HCBS Waiver)). The individual will not have to pay the listed fees above when
2 service is performed by an individual as an independent contractor or employee of the recipient.
3 The Department of Health strongly supports H.B. 2571, H.D. 1 as it will allow individuals with
4 developmental and intellectual disabilities greater access to needed services and the flexibility in
5 obtaining such services.
6 Thank you for this opportunity to testify.



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.hawaii.gov/labor
Phone: (808) 586-8842 / Fax: (808) 586-9099
Email: dilir.director@hawaii.gov

February 13, 2012

To: The Honorable Karl Rhoads, Chair, Kyle Yamashita, Vice Chair, and
Members of the House Committee on Labor & Public

Date: Tuesday, February 14, 2012

Time: 9:30 a.m.

Place: Conference Room 309, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. No. 2571 Relating to Employment Exemption for Domestic Services
For Persons with Developmental and Intellectual Disabilities**

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal amends Sections 386-1(6), 392-5(19), and 393-7(d), HRS, to broaden the definition of excluded domestic services for persons with developmental and intellectual disabilities under Medicaid to now include services "provided through state funded medical assistance to individuals ineligible for medicaid." The department supports this measure.

II. CURRENT LAW

The current statutes exclude from employment domestic services performed for persons with developmental and intellectual disabilities under the Medicaid home and community-based services program pursuant to Title 42 Code Federal Regulations.

III. COMMENTS ON THE HOUSE BILL

The department supports the Administration's proposal from the Department of Health.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
February 14, 2012

The Honorable Karl Rhoads, Chair
The Honorable Kyle T. Yamashita, Vice Chair
Twenty-Sixth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representatives Rhoads and Yamashita, and Members of the Committee:

SUBJECT: HB 2571 HD1 – RELATING TO EMPLOYMENT EXEMPTION FOR DOMESTIC SERVICES FOR PERSONS WITH DEVELOPMENTAL AND INTELLECTUAL DISABILITIES.

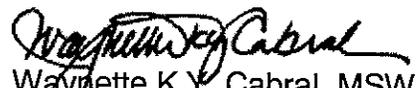
The State Council on Developmental Disabilities (DD) **STRONGLY SUPPORTS HB 2571 HD1**. The purpose of the bill is to amend the definition of “employment” in various sections of the Hawaii Revised Statutes by clarifying the “domestic services” exclusion for services to persons with developmental and intellectual disabilities.

The passage of HB 2571HD1 would provide clarification by exempting recipients of Department of Human Services state-funded home and community-based services (HCBS) from having to provide unemployment insurance, workers compensation, temporary disability insurance, and pre-paid health care insurance. These recipients are not Medicaid eligible, however, receive state-funded HCBS. The provisions in the bill would enable them to have increased flexibility to obtain services from independent contractors.

Thank you for the opportunity to submit testimony in **strong support of HB 2571 HD1**.

Sincerely,


Liz Ann Salvador
Chair


Waynette K.Y. Cabral, MSW
Executive Administrator