



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

In reply, please refer to:  
File:

**Committee on Human Services**

**H.B. 2571, 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 2, 2012**

- 1 **Department's Position:** The department strongly supports this administration proposal.
- 2 **Fiscal Implications:** None.
- 3 **Purpose and Justification:** H.B. 2571 will amend Chapter 383-7, 386-1, 392-5, and 393-5, Hawaii
- 4 Revised Statutes, to exempt recipients of state funded social service payments to developmental and
- 5 intellectual disabilities from providing unemployment insurance, workers compensation, temporary
- 6 disability insurance, and pre-paid health care.
- 7 H.B. 2571 will provide clarification by exempting recipients of the Department of Human Services
- 8 state-funded home and community based services from having to provide unemployment insurance,
- 9 workers compensation, temporary disability insurance, and pre-paid health care. This exemption will
- 10 allow flexibility for individuals receiving state funded medical assistance but, ineligible for Medicaid
- 11 (Home and Community Based Services Medicaid Waiver program). These individuals will not have to
- 12 pay those fees when service is performed by an independent contractor or employee of the individual.
- 13 The Department of Health supports H.B. 2571 as it will allow individuals with developmental and
- 14 intellectual disabilities greater access to needed services and the flexibility in obtaining such services.
- 15 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](http://www.hawaii.gov/labor)  
Phone: (808) 586-8842 / Fax: (808) 586-9099  
Email: [dllr.director@hawaii.gov](mailto:dllr.director@hawaii.gov)

February 2, 2012

To: The Honorable John M. Mizuno, Chair, Jo Jordan, Vice Chair, and Members  
of the House Committee on Human Services

Date: Thursday, February 2, 2012  
Time: 8:30 a.m.  
Place: Conference Room 329, State Capitol

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

**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 2, 2012

The Honorable John M. Mizuno, Chair  
The Honorable Jo Jordan, Vice Chair  
Twenty-Sixth Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Representatives Mizuno and Jordan and Members of the Committee:

**SUBJECT: HB 2571 – 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**. 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 2571 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**.

Sincerely,

  
Liz Ann Salvador  
Chair

  
Waynette K.Y. Cabral, MSW  
Executive Administrator