



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

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March 20, 2012

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

Date: Tuesday, March 20, 2012

Time: 10:00 a.m.

Place: Conference Room 309, State Capitol

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

**Re: S.B. No. 2833 S.D.1 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 SENATE BILL

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



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

In reply, please refer to:
File:

**House Committee on Labor &
Public Employment**

**S.B. 2833, S.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**

March 20, 2012

- 1 **Department's Position:** The department strongly supports this administration proposal.
- 2 **Fiscal Implications:** None.
- 3 **Purpose and Justification:** S.B. 2833, S.D. 1 will amend Chapter 383-7, 386-1, 392-5, and 393-5,
- 4 Hawaii Revised Statutes, to exempt recipients of federally funded social service payments with
- 5 developmental and intellectual disabilities from providing unemployment insurance, workers
- 6 compensation, temporary disability insurance, and pre-paid health care.
- 7 S.B. 2833, S.D. 1 will provide clarification by exempting recipients of the Department of Human
- 8 Services state-funded home and community based services from having to provide unemployment
- 9 insurance, workers compensation, temporary disability insurance, and pre-paid health care. This
- 10 exemption will allow flexibility for individuals receiving state funded medical assistance but, ineligible
- 11 for Medicaid (Home and Community Based Services Medicaid Waiver program). These individuals
- 12 will not have to pay those fees when service is performed by an individual whose services are contracted
- 13 by a recipient of social service payments either as an independent contractor or employee of the
- 14 individual.

1 The Department of Health supports S.B. 2833, S.D. 1 as it will allow individuals with developmental
2 and intellectual disabilities greater access to needed services and the flexibility in obtaining such
3 services.

4 Thank you for this opportunity to testify.

5

6

NEIL ABERCROMBIE
GOVERNOR



PATRICIA MCMANAMAN
DIRECTOR

BARBARA YAMASHITA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 20, 2012

TO: The Honorable Karl Rhoads, Chair
House Committee on Labor & Public Employment

FROM: Patricia McManaman, Director

**SUBJECT: S.B. 2833, S.D. 1 – RELATING TO EMPLOYMENT EXEMPTION FOR
DOMESTIC SERVICES FOR PERSONS WITH DEVELOPMENTAL AND
INTELLECTUAL DISABILITIES**

Hearing: Monday, March 20, 2012; 10:00 a.m.
Conference Room 309, State Capitol

PURPOSE: The purpose of S.B. 2833, S.D. 1 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.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this Administration bill which will increase the access for individuals with developmental and intellectual disabilities to needed services and to also have flexibility in obtaining those services.

Thank you for the opportunity to provide testimony on this bill.



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
March 20, 2012

The Honorable Karl Rhoads, Chair
The Honorable Kyle T. Yamashita, Vice Chair
House Committee on Labor & Public
Employment
Twenty-Sixth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

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

SUBJECT: SB 2833 SD1 – RELATING TO EMPLOYMENT EXEMPTION FOR DOMESTIC SERVICES FOR PERSONS WITH DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

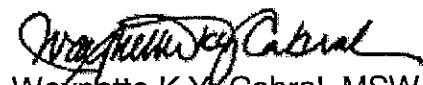
The State Council on Developmental Disabilities (DD) **STRONGLY SUPPORTS SB 2833 SD1**. The purpose of the bill is to amend the definition of "employment" in various sections of the Hawaii Revised Statutes by clarifying the "domestic services" exclusion for services to persons with developmental and intellectual disabilities.

The passage of SB 2833 SD1 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 SB 2833 SD1**.

Sincerely,


Liz Ann Salvador
Chair


Waynette K.Y. Cabral, MSW
Executive Administrator