

NEIL ABERCROMBIE  
GOVERNOR

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STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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KEALI`I S. LOPEZ  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

TWENTY-SEVENTH LEGISLATURE  
Regular Session of 2013

Wednesday, February 20, 2013  
3:00p.m.

**WRITTEN TESTIMONY ONLY**

**TESTIMONY ON HOUSE BILL NO. 877 – RELATING TO THE DESIGNEES FOR THE DIRECTORS OF THE DEPARTMENTS OF COMMERCE AND CONSUMER AFFAIRS, OF HEALTH, OF HUMAN SERVICES, AND OF LABOR AND INDUSTRIAL RELATIONS FOR THE BOARD OF DIRECTORS OF THE HAWAII HEALTH INSURANCE EXCHANGE.**

TO THE HONORABLE ANGUS McKELVEY, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Keali`i S. Lopez, Director of the Department of Commerce and Consumer Affairs (“Department”) and a member of the Board of the Hawaii Health Exchange (“Hawaii Health Connector”). The Department strongly supports this Administration bill. The purpose of the bill is to allow the Directors of the named departments to select a designee for specified meetings or meetings (written request) to carry forth the timely development and implementation of the Hawaii Health Insurance Exchange. Additionally, a voting quorum may not be met without the directors’ designees.

The Department believes that this recommended change is essential for the Hawaii Health Connector’s ultimate success in achieving the Hawaii Health Connector’s implementation benchmarks.

Testimony on House Bill No. 877  
Wednesday February 20, 2013  
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We thank this Committee for the opportunity to present testimony on this vital matter and respectfully ask for your favorable consideration.



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

In reply, please refer to:  
File:

**House Committee on Consumer Protection & Commerce**

**HB877, RELATING TO THE DESIGNEES FOR THE DIRECTORS OF THE DEPARTMENTS OF COMMERCE AND CONSUMER AFFAIRS, OF HEALTH, OF HUMAN SERVICES, AND OF LABOR AND INDUSTRIAL RELATIONS FOR THE BOARD OF DIRECTORS OF THE HAWAII HEALTH INSURANCE EXCHANGE.**

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

**February 20, 2013**

**WRITTEN  
ONLY**

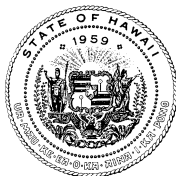
1 **Department's Position:** Strong Support.

2 **Fiscal Implications:** None.

3 **Purpose and Justification:** This bill is part of the Governor's Administrative Package, the purpose of  
4 which is to allow designees to represent directors of state agencies for purposes of conducting oversight  
5 of the Hawaii Health Insurance Exchange, also known as the Hawaii Health Connector.

6  
7 This bill provides the necessary flexibility for the Department of Health, among others previously  
8 named in statute, to address multiple priorities in an effective and efficient manner, while sustaining the  
9 momentum of the implementation of the State's insurance exchange.

10  
11 Thank you for the opportunity to testify in strong support of this bill.



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

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813

<http://labor.hawaii.gov>

February 20, 2013

To: The Honorable Angus McKelvey, Chair,  
The Honorable Derek Kawakami, Vice Chair, and  
Members of the House Committee on Consumer Protection and Commerce

Date: Wednesday, February 20, 2013  
Time: 3:00 p.m.  
Place: Conference Room 325, State Capitol

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

**Re: H.B. No. 877 Relating to The Designees for the Directors of the Departments of Commerce and Consumer Affairs, of Health, of Human Services, and of Labor and Industrial Relations for the Board of Directors of the Hawaii Health Insurance Exchange**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This measure allows the directors of the Departments of Commerce and Consumer Affairs, of Health, of Human Services, and of Labor and Industrial Relations to delegate voting authority to their designees for a specified meeting or meetings of Board of Directors of the Hawaii Health Insurance Exchange (Board).

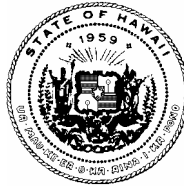
The department strongly supports this bill.

**II. CURRENT LAW**

The Director of Labor and Industrial Relations (DLIR) is an ex-officio, voting member of the Board as so specified under Act 205 of 2011 (codified as Hawaii Revised Statute Chapter 435). The Director's designee, however, does not have a voting privilege when attending the Board or standing committee meetings.

**III. COMMENTS ON THE HOUSE BILL**

This bill allows the Director to voice his vote through his designee when he is unable to attend the meetings of the Board of Directors. Board meetings may be scheduled on very short notice and the Director may not always be available given his daily responsibilities. The Director's designee with voting privileges, furthermore, will count towards constituting a quorum and will facilitate the transactions of the Board or committee in a timely manner.



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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

February 20, 2013

TO: The Honorable Angus L.K. McKelvey, Chair  
House Committee on Consumer Protection and Commerce

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 877 – RELATING TO THE DESIGNEES FOR THE DIRECTORS OF THE DEPARTMENTS OF COMMERCE AND CONSUMER AFFAIRS, OF HEALTH, OF HUMAN SERVICES, AND OF LABOR AND INDUSTRIAL RELATIONS FOR THE BOARD OF DIRECTORS OF THE HAWAII HEALTH INSURANCE EXCHANGE.**

Hearing: Wednesday, February 20, 2013; 3:00 p.m.  
Conference Room 325, State Capitol

**PURPOSE:** The purpose of H.B. 877 is to allow the directors of the Departments of Commerce and Consumer Affairs, of Health, of Human Services, and of Labor and Industrial Relations to delegate voting authority to their designees for a specified meeting or meetings.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this Administration bill.

The successful operation of the Hawaii Health Connector will allow Hawaii's resident to take full advantage of the Affordable Health Care Act benefits and will ensure a seamless integration with the Department of Human Services' medical assistance programs.

Act 205, Session Laws of Hawaii 2011, codified as chapter 435H, Hawaii Revised Statutes, established the Hawaii Health Insurance Exchange as a Hawaii nonprofit

corporation. The corporation is also known as the Hawaii Health Connector. Section 435H-4(b), Hawaii Revised Statutes, specifies that the directors of the Departments of Commerce and Consumer Affairs, of Health, of Human Services, and of Labor and Industrial Relations or their respective designees shall be ex-officio voting members of the board of directors of the Hawaii Health Insurance Exchange.

Allowing the directors of the named departments to select a designee for specified meeting or meetings will ensure the voting representation that is critical for the successful development and implementation of the Hawaii Health Insurance Exchange. Also, a voting quorum may not be met without the directors' designees.

The implementation of a health insurance exchange is necessary for meeting the requirements of the federal Affordable Health Care Act.

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



**HPCA**

HAWAII PRIMARY CARE ASSOCIATION

**House Committee on Consumer Protection & Commerce**

The Hon. Angus J.K. McKelvey, Chair

The Hon. Derek S.K. Kawakami, Vice Chair

**Testimony on House Bill 877**

**RELATING TO THE DESIGNEES FOR THE DIRECTORS OF THE DEPARTMENTS OF  
COMMERCE AND CONSUMER AFFAIRS, OF HEALTH, OF HUMAN SERVICES, AND OF  
LABOR AND INDUSTRIAL RELATIONS FOR THE BOARD OF DIRECTORS OF THE  
HAWAII HEALTH INSURANCE EXCHANGE**

**Submitted by Robert Hirokawa, Chief Executive Officer  
February 20, 2012, 3:00 a.m., Room 325**

The Hawaii Primary Care Association supports the intent of House Bill 877 with a suggested amendment. Health insurance exchanges play a critical role in implementing provisions of the Affordable Care Act.

Two years ago, Hawaii was one of the first states to embark on the journey of establishing and running a state run health insurance exchange. Hawaii's health insurance exchange, the Hawaii Health Connector, is a non-profit with a diverse board representing consumers, employers, insurers, and the public sector. As with any non-profit, there are quorum challenges along the way. Every member of the board brings a valuable perspective and each member's participation should be equally valued. It's important that the Hawaii Health Connector board have the flexibility and continuity it needs to carry out their responsibilities. No one member's vote is more critical or important than another, and so we respectfully request that all board members be afforded the opportunity, set forth in this bill for state department directors, to select a designee for a specified meeting or meetings.

We offer the following language for consideration; beginning on line 11, page 1:

“~~[The director of commerce and consumer affairs, the director of health, the director of human services, and the director of labor and industrial relations]~~ Any member of the board of directors may select a designee for a specified meeting or meetings. Such selection of the designee shall be submitted in writing to the board of directors prior to or at the meeting in which the designee will serve.”

Thank you for the opportunity to testify.