

HB 877, HD1

Measure Title: 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.

Report Title: Hawaii Health Insurance Exchange; Board of Directors; Designee's Voting Authority

Description: 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 all Hawaii Health Connector meetings. (HB877 HD1)

Companion: SB1108

Package: Gov

Current Referral: CPN, JDL

Introducer(s): SOUKI (Introduced by request of another party)



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH STATE LEGISLATURE
REGULAR SESSION OF 2013

Thursday, March 14, 2013
9:30 A.M.

WRITTEN TESTIMONY

TESTIMONY ON HOUSE BILL NO. 877,H .D. 1, RELATING TO THE STATE BUDGET.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND MEMBERS OF THE COMMITTEE:

The purpose of House Bill No. 877, H.D. 1, 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 all meetings.

My name is Keali'i S. Lopez, Director of the Department of Commerce and Consumer Affairs ("DCCA"). The DCCA strongly supports this Administration bill and ask that the Committee consider the original language of the bill be reinstated with the DLIR amendment.

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 Hawai Health Insurance Exchange. Also, a voting quorum may not be met without the directors' designees.

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

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:

Senate Committee on Commerce and Consumer Protection

HB877 HD1, 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**

March 14, 2013

**WRITTEN
TESTIMONY
ONLY**

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

2 **Fiscal Implications:** None.

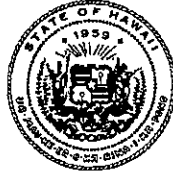
3 **Purpose and Justification:** This bill is part of the Governor's Administrative Package, the purpose of
4 which is to allow designees to represent directors of state agencies for purposes of conducting oversight
5 of the Hawaii Health Insurance Exchange, also known as the Hawaii Health Connector.

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.

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 14, 2013

TO: The Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce and Consumer Protection

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 877, H.D. 1 – 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: Thursday, March 14, 2013; 9:30 a.m.
Conference Room 229, State Capitol

PURPOSE: The purpose of H.B. 877, H.D. 1, 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 all meetings.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill. The DHS strongly recommends, however, that the original language of the bill be reinstated.

The H.D. 1 amendment to this bill makes it unclear as to which meetings the designee will be attending. The language as amended in the H.D. 1 on page 1, line 14 that "...labor and industrial relations may select a designee from their respective departments for all meetings" seems to indicate that the designee must attend all the meetings not just

for “ a specified meeting or meetings” as proposed in the original bill. The DHS requests that the original language of the bill be reinstated for clarity.

We also concur with the Department of Labor and Industrial Relations that the department directors should have the flexibility to assign more than one designee depending on the availability of staff.

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.



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
<http://labor.hawaii.gov>

March 14, 2013

To: The Honorable Rosalyn Baker, Chair,
The Honorable Brickwood Galuteria, Vice Chair, and
Members of the Senate Committee on Commerce and Consumer Protection

Date: Thursday, March 14, 2013
Time: 9:30 a.m.
Place: Conference Room 229, State Capitol

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

Re: H.B. No. 877 H.D. 1 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 select a designee for all Hawaii Health Connector meetings.

The department strongly supports this proposal and respectfully requests a minor amendment.

II. CURRENT LAW

The Director of Labor and Industrial Relations (DLIR), or the director's designee, is an ex-officio, voting member of the Board as so specified under Act 205 of 2011 (codified as Hawaii Revised Statute Chapter 435).

III. COMMENTS ON THE HOUSE BILL

The proposal 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.

The Department is concerned whether the proposal allows the Director to appoint another designee if the assigned designee is unable to attend a meeting for the Director. The Department recommends that to make clear that other designees may be assigned by the Director, the following revision be made to the proposal on line 13 of page 1: (deleted text is bracketed and lined out, added text is underscored)

"...labor and industrial relations may each select [~~a~~] designees from..."