



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

March 22, 2013

To: The Honorable Clayton Hee, Chair,
The Honorable Maile Shimabukuro, Vice Chair, and
Members of the Senate Committee on Judiciary and Labor

Date: Friday, March 22, 2013
Time: 10:30 a.m.
Place: Conference Room 016, State Capitol

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

Re: H.B. No. 877 S.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 the Senate Draft 1 of this proposal. The Board often calls meetings on short notice and the program staff that supports the Director is part of a small unit with multiple responsibilities.

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.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

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KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON
JUDICIARY AND LABOR

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Friday, March 22, 2013
10:30 a.m.

WRITTEN TESTIMONY

**TESTIMONY ON HOUSE BILL NO. 877 H.D.1, S.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.**

TO THE HONORABLE CLAYTON HEE, 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. In comparing the S.D.1 with the H.D.1, the Department prefers the S.D.1. 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

Testimony of Director Keali'i Lopez
H.B. No. 877, HD1, SD1
March 22, 2013, 10:30 a.m.
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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.

We thank this Committee for the opportunity to present testimony on this vital matter and respectfully ask for your favorable consideration.

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 Judiciary and Labor

HB877, HD1, SD1, 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 22, 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 22, 2013

TO: The Honorable Clayton Hee, Chair
Senate Committee on Judiciary and Labor

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 877, H.D. 1, S.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: Friday, March 22, 2013; 10:30 a.m.
Conference Room 016, State Capitol

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

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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.

hee2 - Kathleen

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 21, 2013 9:29 AM
To: JDLTestimony
Cc: slum@dcca.hawaii.gov
Subject: Submitted testimony for HB877 on Mar 22, 2013 10:30AM

HB877

Submitted on: 3/21/2013

Testimony for JDL on Mar 22, 2013 10:30AM in Conference Room 16

Submitted By	Organization	Testifier Position	Present at Hearing
Keali`i S. Lopez	DCCA	Support	No

Comments: Written Testimony

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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