

SB 1108

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 a specified meeting or meetings.

Companion: [HB877](#)

Package: Gov

Current Referral: CPN, JDL

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

<u>Sort by Date</u>		Status Text
1/24/2013	S	Introduced.
1/24/2013	S	Passed First Reading.
1/24/2013	S	Referred to CPN, JDL.
1/29/2013	S	The committee(s) on CPN has scheduled a public hearing on 02-07-13 9:00AM in conference room 229.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

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 SENATE COMMITTEE
ON COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Thursday, February 7, 2013
9:00 a.m.

TESTIMONY ON SENATE BILL NO. 1108— 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 ROSALYN H. BAKER, 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.

Testimony on Senate Bill No. 1108
Thursday, February 7, 2013
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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 Commerce and Consumer Protection

SB1108, 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 7, 2013

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

2 **Fiscal Implications:** None.

WRITTEN ONLY

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

February 7, 2013

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

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 1108 – 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, February 7, 2013; 9:00 a.m.
Conference Room 229, State Capitol

PURPOSE: The purpose of this bill 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.



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

February 7, 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, February 7, 2013
Time: 9:00 a.m.
Place: Conference Room 229, State Capitol

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

Re: S.B. No. 1108 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 SENATE 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.



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Commerce and Consumer Protection

The Hon. Rosalyn H. Baker, Chair

The Hon. Brickwood Galuteria, Vice Chair

Testimony on Senate Bill 1108

**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 Nani Medeiros, Policy and Public Affairs Director
February 7, 2013, 9:00 a.m., Room 229**

The Hawaii Primary Care Association supports the intent of Senate Bill 1108 but opposes the limitation of this benefit to ex-officio government employees/representatives of the Board of Directors.

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. As an illustration, a director could designate a representative to attend a meeting that was going to focus on a particular subject matter they may not be an expert on, but their designee would. All board members should be allowed the ability to utilize such expert resources in representing their "constituency."

We offer the following language change for consideration and urge the committee to pass the contents of SB 1108 in another vehicle with an appropriate title:

"[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.