

NEIL ABERCROMBIE
GOVERNOR



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April 3, 2014

LATE

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2845, S.D. 1, H.D.2 - RELATING TO APPOINTMENT OF
EXEMPT PERSONNEL IN THE DEPARTMENT OF HUMAN
SERVICES FOR THE STATE MEDICAL ASSISTANCE PROGRAMS**

Hearing: Thursday, April 3, 2014; 2:00 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of the bill is to allow the Director of Human Services to appoint and employ permanent exempt professional staff; prescribe their duties and qualifications; and fix their salaries, not subject to chapter 76, Hawaii Revised Statutes (HRS), when in the determination of the director, the services to be performed are unique and essential to the execution of the functions of the state medical assistance programs.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration measure. The Med-QUEST Division (MQD) is the single state agency in Hawaii that is designated to administer the Medicaid program.

After discussions with the HGEA, the DHS submits for your consideration a proposed draft for this bill.

This bill will allow the Director to retain the expertise and level of experience and competencies that currently exist in the leadership of the MQD. These highly qualified positions require knowledge of the federal regulations, guidelines, policies and administrative directives necessary to lead and direct the MQD. In addition, the positions require in-depth knowledge of the Affordability Care Act (ACA) that have led to the development and implementation of the MQD eligibility system to achieve compliance with the new ACA requirements.

The DHS respectfully requests your favorable consideration of this bill which will assist us in ensuring the continuity of quality health care services for members of our community. We also respectfully request that an effective date of July 1, 2014 be re-inserted into this bill.

Thank you for the opportunity to testify on this bill.

A BILL FOR AN ACT

RELATING TO APPOINTMENT OF EXEMPT PERSONNEL IN THE DEPARTMENT OF
HUMAN SERVICES FOR THE STATE MEDICAL ASSISTANCE PROGRAMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 346-2, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§346-2 Appointment of personnel.** (a) The director of
4 human services shall appoint such personnel in conformity with
5 law as the director deems necessary. All employees of the
6 department of human services, except as otherwise provided in
7 this section, shall be appointed subject to any civil service
8 law relating to state employees; in the event there is no civil
9 service law in effect, then in accordance with a merit system
10 meeting applicable federal requirement; provided that in the
11 event of any conflict between applicable mandatory federal
12 requirements and any state civil service law or regulations, the
13 former requirements shall prevail.
14 (b) The director may appoint and employ, exempt from
15 chapter 76, a division administrator, branch and office

1 administrators, a finance officer, and a research officer [~~—a~~
2 ~~privacy and security compliance officer, a health information~~
3 ~~technology officer, physicians, pharmacists, and dentists,~~]
4 prescribe their duties and qualifications; and fix their
5 salaries, when in the determination of the director the services
6 to be performed are unique and essential to the execution of the
7 functions of the state medical assistance programs.

8 c) The director may appoint a privacy and security
9 compliance officer, health information technology officer,
10 physicians, pharmacists and dentists without regard to chapter
11 76; provided that the exemption from chapter 76 shall expire
12 three years after the effective date of Act , Session Laws of
13 Hawaii 2014; thereafter the director shall appoint the privacy
14 and security compliance officer, health technology officer,
15 physicians, pharmacists and dentists pursuant to Chapter 76."

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act, upon its approval, shall take effect
18 on July 1, 2014.

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Report Title:

Position exemptions; Department of Human Services

Description:

Director of Human Services may appoint and employ, professional staff, to include a division administrator, branch and office administrators, a finance officer, and a research officer, not subject to chapter 76, Hawaii Revised Statutes, when in the determination of the director the services to be performed are unique and essential to the execution of the functions of the state medical assistance programs. Specifies a three year exemption limit for other identified positions at which time conversion they will be appointed pursuant to chapter 76. Effective July 1, 2014.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.