



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

In reply, please refer to:  
File:

**Senate Committee on Ways and Means**

**SB 2005 SD1, Relating to Home Care Licensing**

**Testimony of Gary L. Gill  
Deputy Director of Environmental Health Administration**

**Thursday, February 27, 2014**

1 **Department's Position:** COMMENTS.

2 **Fiscal Implications:** Staff and operating costs are estimated at approximately \$150,000 per year.

3 **Purpose and Justification:** The Department of Health will require 1.0 FTE permanent, full-time, and  
4 General Funded to administer the program. General Funds will provide more stability to the program as  
5 the number of licensed facilities fluctuates.

6 Special funds collected as a result of licensing fees will be used primarily to develop and support  
7 a more automated license application submission process, a tablet- or laptop-based survey application  
8 software and computer hardware, and an online licensure fee collection process. Fees would also be  
9 used for staff training and to cover unanticipated or unbudgeted operating expenses.

10 However, in accordance with HRS §321-1.4 when the amount of fees collected exceed \$356,000,  
11 the excess fees will be deposited into the general fund. In this way fees can be used to recover the cost  
12 of the additional position funded through general funds.



**Testimony to the Senate Committee on Ways and Means  
Thursday, February 27, 2014 at 9:00 A.M.  
Conference Room 211, State Capitol**

**RE: SENATE BILL 2005, SD1 RELATING TO HOME CARE LICENSING**

Chair Ige, Vice Chair Kidani, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** SB 2005, SD1 Relating to Home Care Licensing.

The Chamber is the largest business organization in Hawaii, representing over 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

During the regular session of 2009, the legislature passed SB415 SD2 HD1 CD1, which was enacted as Act 21 in the first special session of 2009. The purpose of Act 21 is to require home care agencies to be licensed, and designates the Department of Health (DOH) as the home care licensing agency. DOH has collaborated with home care agencies, consumer advocates, and other stakeholders to draft administrative rules needed to implement licensing. These draft rules are in the last stages of the approval process.

DOH intends that licensing fees charged to home care agencies be used to cover the administrative costs associated with licensing. Initial funding, however, in the amount of \$150,000 is needed to provide 1.0 FTE for DOH to staff and commence the licensing program so that the collection of fees may be initiated. DOH has estimated that licensing fees will cover the cost of the licensing program after the first year of its operation. And DOH fully intends to reimburse the general fund for the initial appropriation amount, making this measure budget neutral.

Thank you for the opportunity to testify.