

Honolulu, Hawaii

**MAR 22 2016**

RE: H.B. No. 1627  
H.D. 3  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred H.B. No. 1627, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL INVESTIGATIONS BY THE  
REGULATED INDUSTRIES COMPLAINTS OFFICE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Regulated Industries Complaints Office to establish a division that specializes in the investigation of medical cases involving regulated professions and occupations; and
- (2) Appropriate funds from the compliance resolution fund for field investigators and staff attorneys who specialize in medical cases.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Hawaii Medical Association.

Your Committee finds that the Regulated Industries Complaints Office investigates allegations of professional misconduct by licensees and any possible unlicensed activity that may be occurring in Hawaii. When professions and occupations involve complex medical issues and scopes of practice that are widely varied, the enforcement of these professional and occupational



regulations can be especially challenging. Your Committee further finds that despite the Regulated Industries Complaints Office's critical role in protecting consumers, the Office lacks investigators with specialized experience or expertise in medical issues. The additional positions proposed by this measure would assist the Regulated Industries Complaints Office in its investigation of medical complaints and allow the Office's existing staff more time to investigate complaints involving the other professions overseen by the Regulated Industries Complaints Office.

Your Committee has requested the Regulated Industries Complaints Office to provide an estimated cost breakdown for the proposed positions established by this measure, as this measure will next be considered by your Committee on Ways and Means. According to information received from the Regulated Industries Complaints Office, the appropriate numbers of additional positions for the medical cases division are four field investigators and one staff attorney. The Regulated Industries Complaints Office has estimated that the ongoing direct personnel costs for a new Investigator IV will be \$98,800, including fringe benefits. An additional \$5,250 in other operating costs are estimated for each investigator, for a total ongoing direct cost of \$104,050 per investigator. The Regulated Industries Complaints Office has also estimated the following costs per staff attorney: ongoing direct personnel costs at \$114,000, including fringe benefits, in addition to \$7,450 in other operating costs, for a total ongoing direct cost of \$121,450 per staff attorney. The Regulated Industries Complaints Office also estimates a one-time direct cost expense of \$5,000 for each new position, for a combined total appropriation request of \$562,650.

Your Committee has amended this measure by:

- (1) Amending the proposed positions established by this measure from an unspecified number to four full-time equivalent (4.0 FTE) field investigators and one full time-time equivalent (1.0 FTE) staff attorney;
- (2) Inserting an appropriation of \$562,650 out of the compliance resolution fund for the field investigators and staff attorney;
- (3) Inserting an effective date of July 1, 2016; and



- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1627 HD3	CPH, WAM	3-16-14		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les				/
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.	/			
SLOM, Sam				/
<b>TOTAL</b>	5			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Michelle N. Kidani</i>				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes