



STATE OF HAWAII
DEPARTMENT OF HEALTH
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Testimony in SUPPORT of SB1018
RELATING TO EFFECTIVE GOVERNMENT OPERATIONS.

SENATOR JARRETT KEOHOKALOOLE, CHAIR
SENATE COMMITTEE ON HEALTH

Hearing Date: February 8, 2021

Room Number: N/A

1 **Department Testimony:** The Department of Health (DOH) supports this measure and
2 respectfully requests amendments that expand the scope to the entire department: Behavioral
3 Health Administration, Environmental Health Administration, General Administration and
4 Health Resources Administration.

5 Unlike the Great Recession of 2009, the economic fallout requires the State of Hawaii to adjust
6 to an approximately \$2 billion dollar deficit within one fiscal year, as opposed to several fiscal
7 years. Statutory authority to reorganize will provide the flexibility to meet ongoing and
8 emerging public health crisis, as well as apply lessons learned to existing operations.

9 The State Procurement Office has shared with DOH its concerns about procurement exemptions.
10 The proposal for exemption is intended for administrative purposes such as technical
11 amendments to contracts (names, recitals, etc.) as opposed to new purchases. The department is
12 open to amendments that address these concerns while still relieving administrative burden.

13 Thank you for the opportunity to testify.

14 **Offered Amendments:**

15 SECTION 2. (a) The department of health shall establish
16 [~~a~~] four two-year reorganization pilot [~~project~~] projects to
17 reorganize the [~~four~~] divisions and offices within the
18 department of health:

- 1 (1) ~~[behavioral]~~ Behavioral health services
2 administration~~[-]~~;
- 3 (2) Environmental health administration;
- 4 (3) General administration, including the office of the
5 director of health; and
- 6 (4) Health resources administration.

7 (b) In reorganizing the ~~[behavioral health services~~
8 ~~administration,~~ four administrations, the department of health
9 shall consult with the department of budget and finance and
10 department of human resources development.

11 (c) The reorganization pilot project shall:

- 12 (1) Shift and organize the functions, positions, and
13 funding to effectuate an organization that cost-
14 effectively and more efficiently provides needed
15 services to the public;
- 16 (2) Identify the processes to most efficiently and cost-
17 effectively restructure and realign functions,
18 staffing, and funding to meet the needs of the
19 community;
- 20 (3) Be exempt from chapters 103D and 103F for purposes of
21 realigning contracts with departmental priority
22 services; and
- 23 (4) Conduct an expedited reorganization, including
24 consultation with the appropriate bargaining units,
25 with the assistance of the department of human
26 resources, to address affected employees, maintaining,

1 to the extent possible, their functions as reflected
2 in their current positions and current salary.

3



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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
HEALTH
FEBRUARY 8, 2021, 1:00 PM

SENATE BILL 1018
RELATING TO EFFECTIVE GOVERNMENT OPERATIONS

Chair Keohokalole, Vice-Chair Baker, and members of the committee, thank you for the opportunity to submit testimony on SB1018. The State Procurement Office (SPO) opposes the exemption language on page 3, SECTION 2, lines 18-20 set forth below.

"(3) Be exempt from chapters 103D and 103F for purposes of realigning contracts with departmental priority services;"

The SPO objects to the procurement exemption and testifies that Department of Health Behavioral Health Services Administration contracts should be competitively procured. Failure to procure competitively could lead to higher costs due to the non-competitive nature.

Chapter 103D, Hawaii Revised Statutes (HRS), the Hawaii Public Procurement Code (Code) is the single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure and transparency in the procurement and contracting process vital to good government.

However, in discussion with the Behavioral Health Services Administration, the SPO will work with the Administration to align their existing multiple contracts, for the similar or like services, to reduce duplicative contracts and its administrative burden.

Thank you.

SB-1018

Submitted on: 2/5/2021 3:46:31 PM

Testimony for HTH on 2/8/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dr. Jim Shon	Individual	Support	No

Comments:

Chair, Members of the Committee.

RE SB 1018 This is long overdue, simply because various elements of the DOH appear to be either beyond administrative accountability, or unable to function with appropriate autonomy.

For example, the Long Term Care Ombudsman Office should be attached administratively, and not subject to hierarchical supervision by the Executive Office on Aging. A few years ago an EOA Director eliminated LTCO's UH Interns, who were quite helpful in addressing the workload. Also, the LTCO's functions can theoretically fall into conflict with the facility licensing branch.

In addition, SHPDA needs to be resuscitated to play the role of health planning and generating key analytical reports. It is not just a permitting agency. SHPDA can also enhance the capability of posting important reports.

Third, there needs to be more rigorous oversight and direction for the inspection of facilities.

Sincerely

Jim Shon



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For a Healthy Hawai'i

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LATE

SENATE COMMITTEE ON HEALTH
Senator Jarrett Keohokalole, Chair,
Senator Rosalyn H. Baker, Vice Chair

DATE: February 8, 2021 1:00 P.M. - VIA VIDEO CONFERENCE

Testimony in Support on SB1018 RELATING TO EFFECTIVE GOVERNMENT
OPERATIONS

The Hawai'i Psychological Association (HPA) supports SB1018, which requires the Department of Health to establish a pilot project to reorganize the divisions within the Department of Health Behavioral Health Services Administration.

The extent to which the pandemic has eroded the mental health and emotional well-being of our residents cannot be understated. These challenges further compound with each day we combat COVID-19.

According to the purpose section in this bill, the reorganization pilot project it proposes will allow the divisions of the Department of Health's Behavioral Health Services Administration to meet the needs of the public in a more responsive, prompt, effective, and efficient way. HPA therefore fully supports the state's ability to meet these challenges in the most expeditious way possible.

Thank you for the opportunity to provide input into this important bill.

Sincerely,

Alex Lichton, Ph.D.

Chair, HPA Legislative Action Committee