

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN  
DEPUTY COMPTROLLER  
KA HOPE LUNA HO'OMALU HANA LAULĀ

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
KEITH A. REGAN, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
COMMITTEE ON CONSUMER PROTECTION & COMMERCE

H.B. 978 HD1

FEBRUARY 16, 2023, 2:00 PM  
CONFERENCE ROOM 329 AND VIA VIDEOCONFERENCE, STATE CAPITOL

RELATING TO HEALTH AND HUMAN SERVICES.

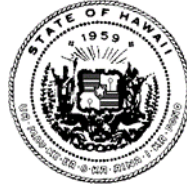
Chair Nakashima, Vice Chair Sayama, and Members of the Committee, thank you for the opportunity to testify on H.B. 978 HD1.

The Department of Accounting and General Services (DAGS) supports this bill to authorize heads of purchasing agencies to issue requests for statements of qualification and to establish a list of qualified providers for treatment purchase of services and increases the small purchase threshold for health and human services.

The passage of this Governor's administrative package bill would allow for efficient procurement of expedited services to address unanticipated health related treatment services to assist the public.

Thank you for the opportunity to submit testimony on this matter.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



CATHY BETTS  
DIRECTOR  
KA LUNA HO'OKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
Office of the Director  
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February 15, 2023

TO: The Honorable Representative Mark M. Nakashima, Chair  
House Committee on Consumer Protection & Commerce

FROM: Cathy Betts, Director

SUBJECT: **HB 978 HD1 – RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES.**

Hearing: Tuesday, February 16, 2023, 2:00 p.m.  
Conference Room 329 & Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this administration measure, provides a comment, and defers to the State Procurement Office and other departments.

**PURPOSE:** The bill authorizes heads of purchasing agencies to issue requests for statements of qualification and to establish lists of qualified providers for treatment purchase of services. Increases the small purchase threshold for health and human services. Effective 6/30/3000. (HD1)

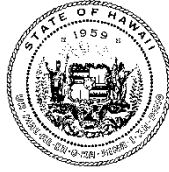
The HD1 amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion;  
and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

Section 3 of the proposed measure seeks to increase the small purchase of health and human services threshold from \$25,000 to \$100,000. The proposal will allow DHS to expedite and reduce administrative costs of its purchases of health and human service expenditures of \$25,000 to \$100,000 based on bid quotation submissions from vendors. In addition, the proposed process will be faster and allows the purchasing program to attend to its work. This measure will replace the competitive request process that may take several months and includes the ability to protest the award, which adds additional time to procure and attend to needed work and services.

Thank you for the opportunity to provide comments on this measure.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



BONNIE KAHAKUI  
ACTING ADMINISTRATOR

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
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TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
CONSUMER PROTECTION AND COMMERCE  
February 16, 2023, 2:00 PM

HOUSE BILL 978 HD1  
RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES

Chair Nakashima, Vice Chair Sayama and members of the committee, thank you for the opportunity to submit testimony on House Bill 978 HD1. The State Procurement Office (SPO) **strongly supports** this bill, which increases efficiency of short-term treatment purchase of service and increases the small purchases threshold for health and human services to align with of 103D-305, Hawaii Revised Statutes.

If this bill is passed, agencies would have the ability to establish and use their own lists of qualified providers as needed, specifically for the provision of health and human services. Also, this bill will expedite services for specific needs for the public. Purchasing agencies will have an expedited way to competitively procure health and human services of less than \$100,000, with reduced administrative costs and burden to the State and provider community. This would free up scarce contracting workforce resources to execute complex high-dollar value procurements.

Thank you.

(HOUSE/SENATE bill no)  
(committee name)  
(date of hearing)  
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