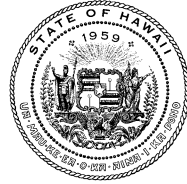


DAVID Y. IGE
GOVERNOR
JOSH GREEN M.D.
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
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RONA M. SUZUKI
DIRECTOR OF TAXATION
DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable John M. Mizuno, Chair;
The Honorable Bertrand Kobayashi, Vice Chair;
and Members of the House Committee on Health

From: Rona M. Suzuki, Director
Department of Taxation

Re: **H.B. 1633, Relating to Auditory Devices**

Date: Tuesday, February 11, 2020

Time: 9:30 A.M.

Place: Conference Room 329, State Capitol

The Department of Taxation (Department) offers the following comments on H.B. 1633.

H.B. 1633 amends the general excise tax exemption for amounts received by hospitals, medical practitioners, etc., for the sale of prescription drugs and prosthetic devices to individuals under section 237-24.3(6), Hawaii Revised Statutes, by expanding it to include amounts received for the repair and replacement of prosthetic devices. This measure amends the definition of "prosthetic device" by clarifying it and specifying that it includes hearing aids. H.B. 1633 is effective July 1, 2020.

The Department notes that it is able to administer the changes proposed in this measure, but respectfully requests the measure be made effective on January 1, 2021. This will allow sufficient time to make the necessary form and computer system changes.

Thank you for the opportunity to provide comments.



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • TTY (808) 586-8162

February 11, 2020

LATE

TESTIMONY TO THE HOUSE COMMITTEE ON HEALTH

House Bill 1633 – Relating to Auditory Devices

The Disability and Communication Access Board (DCAB) supports House Bill 1633 Relating to Auditory Devices which exempts gross receipts from the sale of auditory devices, such as hearing aids, from the general excise tax. It also amends the definition of "prosthetic device" to include devices worn on the body and exempts gross receipts from the repair of prosthetic devices from the general excise tax.

This bill would reduce the cost burden associated with purchasing auditory devices, including hearing aids. Hearing is an equally important sense upon which an individual depends for communication. According to the Hearing Loss Association of America, two-thirds of Americans have hearing loss by the time they reach their 70s. Moreover, there are academic studies demonstrating how hearing loss increases the risk of cognitive problems, including dementia. Increasing the affordability of hearing aids and other auditory devices for an individual with a hearing loss is an important step toward addressing this troubling trend.

Thank you for this opportunity to provide testimony.

Respectfully submitted,

KIRBY L. SHAW
Executive Director

TASTY SAFETY®
FOOD SAFETY CONNOISSEUR

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Haleiwa, Hawaii 96712

Date: February 8, 2020

To: House Committee on Health
Chair Mizuno
Vice Chair Kobayashi
Representative Belatti
Representative Nakamura
Representative San Buenaventura
Representative Say
Representative Tokioka
Representative Ward

Fm: Joseph Realdine - USDA-FSIS Retired Consumer Safety Officer (SCSO)

Re: SUPPORT to Approve HB 1663 – Executive Review

Dear Chair Mizuno and Health Committee Members,

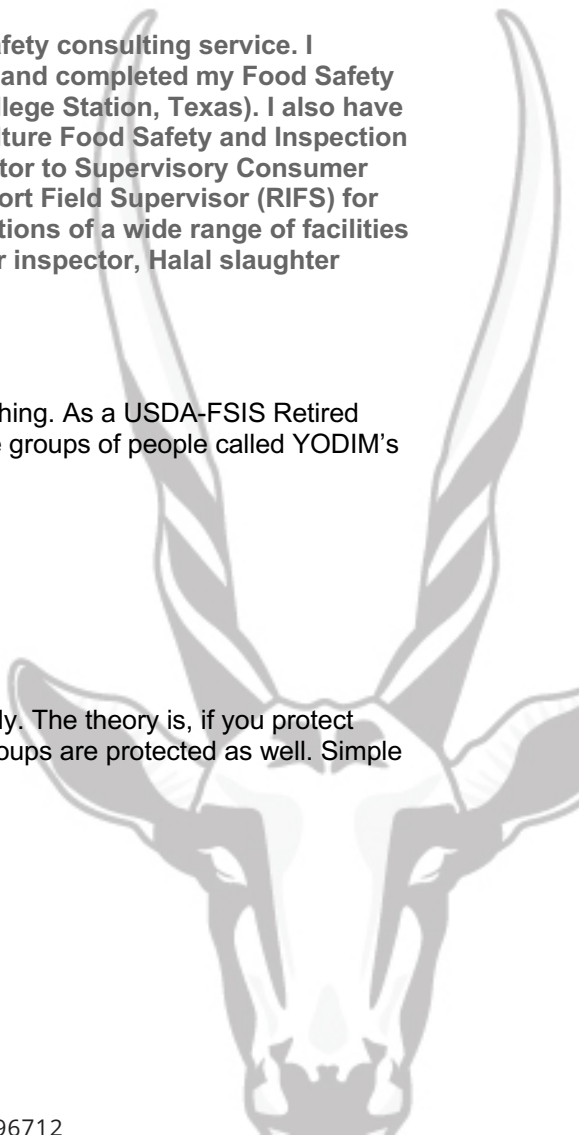
My firm Healthy Earth LLC-Tasty Safety is a Hawaii based food safety consulting service. I graduated from the Culinary Institute of America (Hyde Park, NY) and completed my Food Safety Science (including HACCP & Micro) at Texas A&M University (College Station, Texas). I also have 27-years of decorated service with the U.S. Department of Agriculture Food Safety and Inspection Service (USDA-FSIS). My positions ranged from Slaughter Inspector to Supervisory Consumer Safety Officer and Frontline Supervisor as well as a Regional Import Field Supervisor (RIFS) for the Office Of International Affairs. My experience includes inspections of a wide range of facilities and products as a red meat slaughter inspector, poultry slaughter inspector, Halal slaughter inspector, processing products inspector, and import inspector.

Background

The negative aspects of Hawaii's milk that is re-pasteurized is far reaching. As a USDA-FSIS Retired Consumer Safety Officer (SCSO), we are focused on the following five groups of people called YODIM's that must be protected.

1. Young
2. Old
3. Diseased
4. Immune deficient
5. Malnourished

Federal protocol mandates that all the groups above are treated equally. The theory is, if you protect those five groups or classes, then every person either side of those groups are protected as well. Simple concept with far reaching affects.



The University of Hawaii study on this re-processing of milk supports this Bill. The scientists have spoken and the case made with regards to the elevated bacterial levels in re-pasteurization of milk. This would apply to all YODIM's that consume this milk.

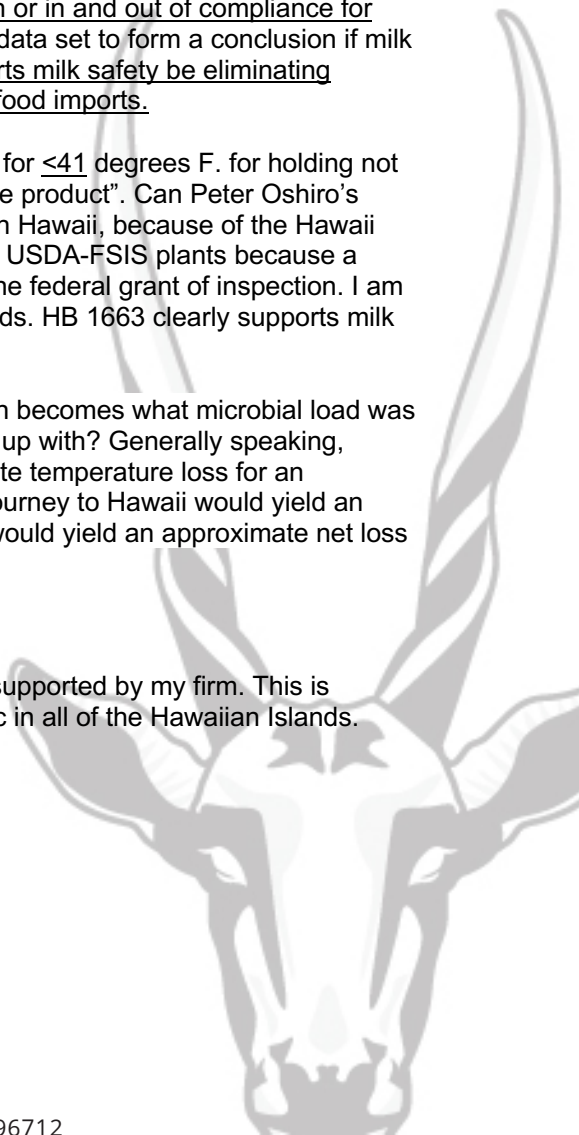
Over a decade ago, Hawaii Legislative Issued Resolution HCR 72 to research these issues and safe handling of imported products into Hawaii. Unfortunately, there was no action moving this issue forward at the legislative level.

Supportable Position and Other Information:

- One important overarching point to be made is that **“product must be protected at all times”**. Yet while the pasteurized milk ordinance (PMO) sets rules in place, these are the minimum requirements. Hawaii deserves nothing but the safest milk. There are many factors in producing safe milk. HB 1663 clearly supports milk safety.
- The next important overarching point is that **“once a process is in control, it should remain in control”**. Therefore, if a critical control point (CCP) and critical limit (CL) are for product temperature, once it meets the CCP/CL it should remain in compliance. Not shelf stable (SS) milk product, time, temperature and sanitation (including removing bio-films) are what food safety focuses on with regards to Micro-Hazards. Going up and down or in and out of compliance for food can be dangerous. It's the Yoyo affect. I do not have the data set to form a conclusion if milk is currently arriving above 41 degrees. HB 1663 clearly supports milk safety be eliminating unnecessary risks pertaining to the transportation of Hawaii's food imports.
- The Hawaii DOH does have a regulation that is enforced here for <41 degrees F. for holding not SS product. There should be no exceptions for “not shelf stable product”. Can Peter Oshiro's DOH Crew enforce this regulation the moment the product is in Hawaii, because of the Hawaii DOH food handling permit? DOH enforces this even in federal USDA-FSIS plants because a Hawaii DOH food handling permit is issued in addition to the the federal grant of inspection. I am not in possession of any cold chain management (CCM) records. HB 1663 clearly supports milk safety.
- Pasteurization only decreases the microbial load. The question becomes what microbial load was present to begin with and what Log reduction will the milk end up with? Generally speaking, based on my research, two-degrees F. a day is the approximate temperature loss for an unrefrigerated 6000-gal bulk milk tank. Therefore, a five-day journey to Hawaii would yield an approximate net loss of 10 Degrees F. and a 10-day journey would yield an approximate net loss of 20 Degrees F. for milk temperature.

Conclusion

The safe handling of milk and food outlined in HB 1663 is completely supported by my firm. This is certainly a step towards improving milk safety and protecting the public in all of the Hawaiian Islands.



February, 10 2020

To: House Committee on Health

Chair Mizuno

Vice Chair Kobayashi

Representative Della Au Belatti

Representative Nadine K. Nakamura

Representative Joy A. San Buenaventura

Representative Calvin K.Y. Say

Representative James Kunane Tokioka

Representative Gene Ward

Fm: Flora Samis

Re SUPPORT of HB 1663

Dear Chair Mizuno and Health Committee Members,

In 2011 President Obama signed into effect the Food Safety Modernization Act (FSMA), which serves to drastically improve the quality and safety of food grown, processed and transported in the United States. One portion of this bill includes the safe transport of food items. It requires that all food products intended for human consumption must have procedures and control points in place to eliminate or reduce significant hazards. For perishable items such as milk and eggs this means sanitary, temperature controlled (< 40°F) transportation.

The current bulk milk transportation practices do not meet this standard, **this is unacceptable**. This raises deep concerns about the practices utilized to transport a commodity primarily consumed by higher risk citizens such as infants, children and the elderly. Milk distributors must absolutely be held to these standards that have been developed with the support of years of science-based studies evidencing that temperature control is an effective means to prevent microbiological activity. The current practices to transport milk without temperature control violate most city health food codes which require restaurants and food service establishments to maintain food and product temperatures below 40°F.

Test results of post pasteurized milk with coliform levels exceeding those established also deeply concerns me. While the root cause of the contamination is unclear, from my experience working in food manufacturing this type of contamination indicates there is a loss of control at some point in the supply chain, which must be addressed. Controlling the temperature of milk during transport is an obvious control point that prevents microbial activity of the products that arrive to Hawai'i. A deeper investigation of the transportation and processing practices should be conducted.

Refrigerated and temperature-controlled shipping logistics have drastically increased and accessibility improved since the passing of FSMA as transportation companies are pushed to meet regulatory and customer requirements. Local companies are investing in building temperature-controlled airplane hangers and are rapidly expanding cold warehousing spaces. Affordable real time temperature monitors exist and are required by many private companies to be utilized to verify that their products are being transported at the required temperatures. The resources are available and must to be utilized, milk industry is no exception, these regulations have been created to protect the health and safety of consumers.

Lastly, in an era where locally produced foods are dwindling and local companies struggle to compete for shelf space and visibility with international conglomerates with billions of dollar marketing and strategy campaigns, we must protect the value of Hawai'i made commodities. Products that do not comprise wholly of locally grown or raised ingredients should not be labeled as "Island Fresh" or "Local" this is completely misleading. By protecting local producer's products, we are valuing not only the unique characteristics of a product made in the most remote region of the world that set it apart from others, but also the additional costs that may be required to produce such a product. There are strong economic statistics that show locally produced products and businesses for every dollar spent between \$0.63-\$0.80 of that money remains in the community. We should not be allowing foreign companies to be earning and taking valuable dollars away from our island's economy.

Sincerely,

Flora Samis
Food Safety Specialist and Consultant
Kwai Farm LLC.

LATE

PETER L. FRITZ

TELEPHONE (SPRINT IP RELAY): (808) 568-0077
E-MAIL: PLFLEGIS@FRITZHQ.COM

HOUSE OF REPRESENTATIVES
THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2020

COMMITTEE ON HEALTH

Testimony on H.B. 1633
Hearing: February 11, 2020

RELATING TO AUDITORY DEVICES

Chair Mizuno, Vice Chair Kobayashi and members of the Committee, my name is Peter Fritz. I am an individual with a hearing disability and a tax attorney. I am testifying today **in support** of H.B. 1633. Exempting auditory devices such as hearing aids will benefit Hawaii's kupuna who may have a fixed income and the disabled by making auditory devices more available.

This is a tax bill that exempts the sale of auditory devices, such as hearing aids, from the general excise tax ("GET"). I paid an additional \$127.00 when I purchased my hearing aids because the seller visibly passed on the GET.

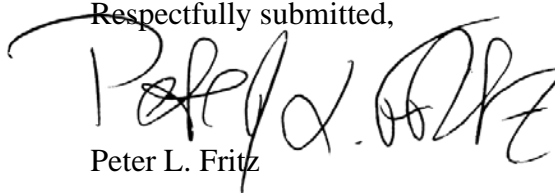
Hearing loss is now known to be the largest modifiable risk factor for developing dementia, exceeding that of smoking, high blood pressure, lack of exercise and social isolation, according to an international analysis published in The Lancet in 2017, Vol. 390, No. 10113. [http://dx.doi.org/10.1016/S0140-6736\(17\)31756-7](http://dx.doi.org/10.1016/S0140-6736(17)31756-7)¹. The analysis indicated that preventing or treating hearing loss in midlife has the potential to diminish the incidence of dementia by 9 percent.

Difficulty hearing can impair brain function by keeping people socially isolated and inadequately stimulated by aural input. The harder it is for the brain to process sound, the more it has to work to understand what it hears, depleting its ability to perform other cognitive tasks. Information that is not heard impairs the brain's ability to remember it. An inadequately stimulated brain tends to atrophy.

Under normal circumstances, cognitive losses occur gradually as people age, the wisest course may well be to minimize and delay them as long as possible and in doing so, reduce the risk of dementia. Reducing the cost of auditory devices by exempting such devices from Hawaii's GET helps to make them more affordable.

Thank you for the opportunity to testify.

Respectfully submitted,



Peter L. Fritz

¹ The Lancet 2017, Vol. 390, No. 10113. [http://dx.doi.org/10.1016/S0140-6736\(17\)31756-7](http://dx.doi.org/10.1016/S0140-6736(17)31756-7)

LATE

HB-1633

Submitted on: 2/11/2020 9:58:49 AM

Testimony for HLT on 2/11/2020 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nikki	Individual	Support	Yes

Comments:

Aloha Chair,

I am in full support of this bill. Families of children with hearing loss carry a heavy burden not only for the simple cost of raising children but navigating through parenting. The cost associated to hearing devices and the taxes imposed adds heavy burden to our families.

Please help us make it more affordable so they can focus on raising their children instead of how to pay for these items.

Mahalo,

Nikki Kepoo