

HB 1642



Hawai'i Primary Care Association

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To: **The Senate Committee on Human Services**

The Hon. Suzanne Chun Oakland, Chair

The Hon. Les Ihara, Jr., Vice Chair

The Senate Committee on Health

The Hon. David Y. Ige, Chair

The Hon. Josh Green, MD, Vice Chair

Testimony in Support of House Bill 1642, H 1
Relating to the Purchases of Health and Human Services

Submitted by Beth Giesting, CEO

March 19, 2009, 1:45 p.m. agenda, Room 016

The Hawaii Primary Care Association asks your support for this measure. Its objects are to

- a) require that Med-QUEST-contracted health plans have HMO or Mutual Benefit Society licensure, and
- b) prohibit the Department of Human Services from giving tax rebates to for-profit insurers.

Both these provisions strengthen our public institutions by requiring that all plans meet established standards and that our taxpayer dollars are paying for health care for the poor and not for corporate profits.

Thank you for the opportunity to support this bill.



March 19, 2009
1:45pm
Conference room 016

To: Sen. David Ige, Chair
Sen. Josh Green, Vice Chair
Committee on Health

Sen. Suzanne Chun Oakland, Chair
Sen. Les Ihara, Vice Chair
Committee on Human Services

From: Paula Arcena, Legislative and Community Liaison

Re: **HB1642, HD1 Relating to the Purchases of Health and Human Services**
(Specifies that proposals for purchases of health and human services must be submitted by duly licensed providers and for the exact amount to be expended by the State)

My name is Paula Arcena, I am the Legislative and Community Liaison for AlohaCare.

AlohaCare is a non-profit health insurance company, founded by community health centers, to serve the most medically fragile populations in Hawaii. These groups include low-income families, the aged, the disabled and many other groups. Serving the healthcare needs of the people of Hawaii with aloha is our mission. AlohaCare has more than 60,000 health plan members, 1,200 of which are Medicare members.

Thank you for the opportunity to testify in strong support of HB1642.

We support this measure because it will correct problems two problems with the bidding process for Medicaid contracts.

First, HB1642 will prohibit DHS from giving a tax rebate to for-profit health plans. Currently, the State of Hawaii is losing \$11 million per year, a total of \$33 million over the three year QUEST Expanded contract, as well as taxes that should be collected from one for-profit health plan under the QUEST program.

During this economic crisis, it is difficult to justify rebating taxes to for profit entities while the Hawaii's residents are losing their jobs, their health insurance coverage and services are being cut. Demands for Hawaii's safety net services are growing and \$33 million will go a long way in purchasing health and human services.

In approving this bill, the legislature will also uphold Hawaii law that establishes the State legislature as the sole authority to tax or rebate taxes. This is supported by a Hawaii Supreme Court decision issued on December 18, 2008 on the case of Hawaii Insurers Council vs. Lingle (No. 27840). In that decision the Hawaii Supreme Court stated that only the Hawaii State Legislature is empowered to tax or not tax persons or entities, and that the Executive Branch does not have the power to waive or otherwise rebate taxes imposed by the Legislature.

Second, HB1642 would insure that entities contracted to provide health and human services are appropriately licensed to provide those services. Currently, one QUEST Expanded Access program insurer is operating under the indemnity license of its parent company. This is of concern because indemnity licensure requirements are less stringent than HMO licensure requirements. We believe that insurers for the aged, blind and disabled population served by the QUEST Expanded Access program, should be held to higher and more regulated standard such as those required by Health Maintenance Organization (HMO) licensure as defined by HRS Chapter 432D or a mutual benefit society licensed as defined HRS Chapter 432.

Thank you for this opportunity to testify.

To: **Committee on Human Service**
The Hon. Senator Suzanne Chun Oakland, Chair
The Hon. Les Ihara Jr., Vice Chair

Committee on Health
The Hon. Senator David Y. Ige, Chair
The Hon. Josh Green, M.D. Vice Chair

**COMMUNITY
CLINIC
OF MAUI**



Where Aloha is more than just a word

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SATELLITE CLINICS

Ka Hale A Ke Ola
Resource Center
670-A Waiale Dr.
Wailuku, HI 96793

Lahaina Comprehensive
Health Center
15 Ipu Amakua Lane
Lahaina, HI 96761

**Testimony in Support of House Bill 1642
Relating to Health & Human Services
Submitted by Dana Alonzo-Howeth, Executive Director
March 19, 2009, 1:45 p.m. agenda, Room 016**

The Community Clinic of Maui strongly supports this bill, which will specify that proposals for purchases of health and human services must be submitted by duly licensed providers and for the exact amount to be expended by the State. At a time when health care reform is so badly needed and every dollar so vital to the safety net, it is unconscionable that \$11M a year will be rebated back to for profit health plans simply because the Executive Branch and Department of Human Services wish to promote for profit contracting. Support of this bill does more than save the State money, it also serves to protect nonprofit health plans who not only have the experience in caring for our most vulnerable and fragile populations but who also have a strong commitment to putting quality of care and customer service to both members and providers first. There are a number of nonprofit health plans across the nation who have demonstrated tremendous success in servicing their State's Medicaid & Medicare contracts, showing improved quality of care outcomes, innovative solutions to care, savings, partnerships and dollars reinvested in communities. In Hawaii we have AlohaCare who has a proven track record of all of the above. It goes without saying that proven models such as these make not only economic sense but what is truly in the best interest of our citizen's lives and goes a long way in contributing to the strength of the health care safety net now and in the future. Thank you for this opportunity to testify on this critical bill.



DATE: March 17, 2009

TO: Senate Sergeant-At-Arms

FROM: Phil Kinnicutt

VIA FAX #: 808-586-6659

SUBJECT: Strong Support for HB 1642, HD1 Relating to the Purchase of Health and Human Services

Testimony for HB 1642, HD1 hearing with the Senate Health Committee on Thursday, 3/19/09, 1:45pm, room 016.

The State of Hawaii is losing an estimated \$11 million per year under the Department of Human Services agreement with the two Mainland for-profit health plans by rebating the applicable premium tax even though some reimbursement is received back from the Federal Government.

This practice favors for-profit companies at the expense of non-profits and Hawaii's taxpayers.

Current law does not allow the Executive Branch or the DHS to waive or exempt any company from paying the tax; only the Legislature has the authority to do this.

HB 1642, HD1 will prevent this egregious and illegal practice from continuing in the future.

Respectfully,



Phil Kinnicutt
Board Chair, Waikiki Health Center
Board Secretary, AlohaCare

Faith Action for



Community Equity

Gamaliel Foundation Affiliate

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The Rev. Alan Mark
Statewide President

The Rev. Robert Nakata
Oahu President

The Rev. Bill Albinger
Maui President

Ms. Judy Ott
Statewide Secretary

The Rev. Frances Wiebenga
Oahu Vice President, Clergy

Dr. Clementina Ceria-Ulep
Oahu Vice President, Laity

Dr. Kathy Jaycox
Oahu Secretary

Ms. Emily Milioti
Oahu Assistant Secretary

Mr. Rosario Baniaga
Oahu Treasurer

Mr. Drew Astolfi
Executive Director

Mr. Patrick Zukemura
Oahu Lead Organizer

March 19, 2009

THE SENATE
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2009

COMMITTEE ON HUMAN SERVICES
Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., Vice Chair

COMMITTEE ON HEALTH
Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair

DATE: Thursday, March 19, 2009

TIME: 1:45pm

PLACE: Conference Room 016

State Capitol

415 South Beretania Street

HB 1642, HD1
RELATING TO THE PURCHASES OF HEALTH AND HUMAN SERVICES

Good afternoon Chairs Chun Oakland and Ige and members of the committee:

I am Rev. Bob Nakata and I am the President of FACE. FACE is an interfaith organization with membership including 60 churches, temples, unions and civic organizations and has been active in Hawaii for 12 years. It represents over 30,000 people who reflect the cultural and socio-economic diversity of our State. FACE exists to allow its members to live out our common faith-based values by engaging in actions that challenge the systems that perpetuate poverty and injustice. **FACE supports this measure and we ask that you pass this bill.**

This bill specifies that proposals for purchases of health and human services must indicate the exact amount expended by the State, regardless of tax status of the Applicant. In the recent award to two for-profit corporations, DHS returned to the corporation the State taxes of 4.265% they paid to the State as a rebate. (All for-profit Insurance companies pay this tax.) In this contract, the State of Hawaii taxpayers incur a tax revenue loss of \$11 million per year (\$25 million annually) in tax revenues from the two-for profit companies. Federal taxpayers incur a loss of tax revenue of \$14 million as

part of the rebate. Taxpayers are subsidizing two for-profit national Insurance Companies. This bill will prevent this rebate or subsidization by both the State and Federal taxpayers.

Please pass this bill.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 19, 2009

MEMORANDUM

TO: Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

Honorable David I. Ige, Chair
Senate Committee on Health

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 1642, H.D. 1 – RELATING TO THE PURCHASES OF HEALTH AND HUMAN SERVICES**

Hearing: Thursday, March 19, 2009, 1:45 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to specify that proposals for purchases of health and human services must be submitted by duly licensed providers and for the exact amount to be expended by the State.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly opposes this bill because it is unfair to non-profit contracting entities and decreases fair competition among potential bidders.

This bill adds a barrier to fair competition in the bidding process by disadvantaging the entry of new insurers into the Hawaii market. Decreased competition negatively impacts the potential enrollees and the taxpayers.

DHS seeks fair competition to ensure the highest quality care for its clients and best value to the State taxpayers.

The licensure process can be time consuming and expensive. Bidders should not be required to have gone through that process ahead of time; however, if a contract is awarded, then DHS ensures that ample time is provided for the winning bidder(s) to obtain appropriate licensure.

The Request For Proposal (RFP) specifies timelines for requiring licensure based on DHS' requirements. Since this issue is already addressed in the procurement process, there is no need to change procurement law. If the start date is expected to be shortly after the award, then DHS may require licensure at the time of bidding, but the timing should be designed to meet DHS' needs without disincentivizing potential bidders.

The second part of the bill requiring proposals to list the exact amount to be expended by the State is unclear. Ignoring the return to the State through taxes creates an incomplete and unfair picture. For contracts with for-profit entities, the net exact amount expended by the State is the amount of the contract less the amount collected in taxes. This equals the pre-tax amount.

Paradoxically, this bill would, in fact, disadvantage non-profit entities, too. Because approximately 55% of the taxes collected by the State from for-profit entities are Federally funded, the net State expenditure is reduced and would be below the pre-tax amount. In the case of QUEST Expanded Access, the two for-profit health plans generate approximately \$35 million in new Federal funds to the State; if these plans were non-profits, zero new Federal funds would be generated.

However, if the intent is to create a barrier for for-profits to contract with the State by considering only contract expenditures and not considering tax revenue, then for-profits will be required to operate at a more than 4% discount compared to non-profits. They are already operating at a discount because they pay Federal taxes. This is the premium already given to the community value of non-profits.

Assuming that for-profits would bid at the same price and pay taxes out of their margin seems counter to the accusations that for-profits are money driven. If that's the case, then they would simply increase their bid price by the tax amount, or not bid at all.

DHS has contracts with numerous for-profit small businesses. This provision, if applied as described in the previous paragraph, would substantially impact their ability to be competitive in a bidding process and significantly lessen their margin. As a result of this bill, people could lose jobs and many small businesses may go out of business.

This bill makes a false assumption that only non-profit entities constitute the safety-net for our needy DHS clients. This is patently false. In fact, in our Medicaid program, most nursing care Medicaid clients are provided care from for-profit nursing homes and do not deserve to be punished by this bill for their contributions to the safety-net.

Thank you for the opportunity to testify.

LINDA LINGLE
GOVERNOR



PROCUREMENT POLICY BOARD
DARRYL W. BARDUSCH
LESLIE S. CHINEN
DARYLE ANN HO
KEITH T. MATSUMOTO
RUSS K. SAITO
PAMELA A. TORRES

AARON S. FUJIOKA
ADMINISTRATOR

STATE OF HAWAII
STATE PROCUREMENT OFFICE
P.O. Box 119
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TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
COMMITTEES
ON
HEALTH
AND
HUMAN SERVICES

March 19, 2009

1:45 PM

HB 1642, HD 1

RELATING TO THE PURCHASES OF HEALTH AND HUMAN SERVICES.

Chair Ige, Chair Chun Oakland, Vice-Chair Green, Vice-Chair Ihara and committee members, thank you for the opportunity to testify on HB 1642, HD 1.

The State Procurement Office (SPO) does not support this bill. "Duly licensed" is an all encompassing term, would negatively affect health and human services that do not require licensing, and would not be in the best interest of the state, the health and human services community, and most of all, to the general public. If "duly licensed" refers to business registration, insurance or professional/vocational licensing, these service areas are already regulated. For health and human services, licensing requirements are specific to the services being procured, and should be addressed in the request for proposals solicitation document, as applicable.

As a public entity, the state must maintain an open, fair and equitable treatment of all providers. Qualified health and human service providers should not be statutorily precluded from responding to a request for proposals when licensing is not a requirement. The competitive procurement processes should not be restrictive and should insure that all potential providers are afforded the opportunity to compete for the required services.

If the intent of this bill is to require all providers of health and human services to be in compliance with State laws, including business registration, labor and tax requirements, then the following amendment is offered, which is similar to requirements in HRS §103D-310(c):

~~"§103F- Proposals-Responsibility of offerors-applicants. Proposals subject to this chapter shall be:~~

~~—(1) Submitted by provider duly licensed in the State to conduct the business being sought by the request for proposals; and~~

~~—(2) For the exact amount to be expended by the State, regardless of the tax status of the provider. All providers-applicants, prior to award of contract, shall be in compliance with all laws governing entities doing business in the State, including chapters 237, 383, 386, 392, and 393; and shall provide documentation to the procurement officer to demonstrate compliance.~~

The bill also proposes 'For the exact amount to be expended by the State,', however, when contracting for various health and humans services, funding levels are determined by client needs. It is frequently not known in advance precisely the amount of services needed, thereby making it difficult to determine exact funding for a particular service. When that occurs, prices quoted in proposals may be based on specific types of 'units of service' identified in the solicitation document with the caveat that the exact number of units to be used may vary from estimates provided in the solicitation.

The State Procurement Office recommends this bill be held.

Thank you.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
OFFICE OF YOUTH SERVICES
820 Milliani Street, Suite 817
Honolulu, Hawaii 96813

Phone: (808) 587-5700
Fax: (808) 587-5734

March 19, 2009

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

The Honorable David Y. Ige, Chair
Senate Committee on Health

FROM: Martha T. Torney, Executive Director

SUBJECT: **HB1642, HD1 RELATING TO THE PURCHASES OF HEALTH
AND HUMAN SERVICES**

Hearing: Thursday, March 19, 2009, 1:45 p.m.
State Capitol, Conference Room 016

The Office of Youth Services strongly opposes House Bill 1642, House Draft 1, and is very concerned about its negative impact on State agencies and private providers. This measure would require the State to develop licensing rules and regulations for all health and human services providers, regardless of the type of service offered and the practical need for licensing. Licensing requirements could significantly add to the cost of conducting business in the State of Hawaii.

The OYS awards contracts for a variety of services for youth and families through multiple provider agencies for which there currently are no state licensing requirements. Examples include gang intervention and mediation services provided by Adult Friends for Youth, youth guidance-oriented character development through the Boys and Girls Club on Honolulu, and youth outreach for troubled teens offered state-wide by Hale Kipa and Alu Like. Small programs such as tennis instructions for youth during non-school hours would also be impacted. As written, this bill would greatly restrict the number of

providers qualified to respond to a request for proposals issued by the OYS since the majority of current provider agencies would not qualify until they are properly licensed. Establishing a licensing system for all health and human service agencies could be very costly and not practical or prudent given the current economic situation.

Developing licensing procedures for any profession or service takes considerable time and effort at a great cost to the State, including:

- 1) establishing licensing requirements;
- 2) establishing staff offices with the responsibility of granting licenses to eligible persons and agencies;
- 3) monitoring compliance with licensing requirements; and
- 4) developing hearing procedures if a license is not granted or revoked.

It is highly likely that implementing such systems for the variety of services currently provided would take well over a year to accomplish. In the meantime, the OYS would have to cease offering the majority of services currently available to our youth. What would be the social impact if that occurred?

In addition to the above, this bill also requires that proposals submitted must include the "exact amount to be expended by the State." Under current practice the applicant is to propose a dollar amount to provide the proposed services and the State determines the amount of the award for the services based on the availability of funds and the quality of the proposal. During the contract negotiations, proposed budgets may be revised downward. And, at times, budgets may be increased by a small percentage for unanticipated cost, such as new licensing requirements. It would not be in the best interest of the State to make contracts for the exact amount of the proposals submitted in response to a request for services.

In summary, the OYS asks that this bill be held in committee as it is impractical to implement and creates a fiscal burden for both the State and private providers.

Thank you for the opportunity to present this testimony.

BILL: HB 1642, HD1

(HSCR739)

DATE: Thursday, March 19, 2009

TIME: 1:45pm

RELATING TO THE PURCHASES OF HEALTH AND HUMAN SERVICES.

Specifies that proposals for purchases of health and human services must be submitted by duly licensed providers and for the exact amount to be expended by the State. (HB1642 HD1)

I am **strongly opposed** to the passing of HB 1642, HD1.

The Paia Youth Council, Inc has had contracts for direct services with the State Office of Youth Services for the past 10 years. The passing of this bill would make us ineligible for contracts as there is no agency in place to license youth service centers who work with older teenagers on a prevention basis.

Prevention is not a licensed activity. Treatment requires licensing. This bill would eliminate vital HHS prevention activities.

The OYS awards contracts for a variety of services for youth and families to multiple provider agencies for which **there are currently no state licensing requirements.** HB1642, HD1 would require all agencies applying for Chapter 103F contracts to be licensed. In other words, should this bill pass as written, *any agency without a license would be ineligible to apply for Chapter 103F contracts.*

I am further opposed because:

- It will take the State many years to develop and implement a state licensing system, thus hampering the State's ability to procure needed direct services.
- The development of a licensing system for all service agencies would be very costly and not practical or prudent given the current economic situation.
- Consequently, HB1642, HD1 would greatly restrict the number of providers qualified to respond to a request for proposals issued by the OYS since the majority of current provider agencies would be prohibited from submitting proposals.
- The current procurement process requires the applicant propose a dollar amount to provide the proposed services and the State determines the amount of the award for the services based on the availability of funds and the quality of the proposal. During the contract negotiations, proposed budgets may be revised downward. It would not be in the best interest of the State to make contracts for the exact amount of the proposals submitted in response to a request for services.

Thank you for this consideration.

Geoffrey Bourne

President, Pa'ia Youth Council, Inc. and the Pa'ia Youth & Cultural Center

121 Aleiki Pl.

Paia, HI 96779

808.579.8551

Public Testimony in Opposition of:

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(HSCR739)

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Thank you for this consideration.

Susun White

Executive Director

Pa'ia Youth & Cultural Center

PO Box 790999

Pa'ia , HI 96779

808 579 8354

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Thank you for this consideration.

Lisa Starr, VP
Paia Youth & Cultural Center
676 Hana Highway
Paia, HI 96779
ph: (808) 579-8322
fx: (808) 579-9725

Susun White
Executive Director
Pa'ia Youth & Cultural Center
PO Box 790999
Pa'ia , HI 96779
808 579 8354

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Thank you for this consideration.

Lynn Rasmussen

Founding board member, Pa'ia Youth Council, Inc. and the Pa'ia Youth & Cultural Center

3191 Baldwin Avenue

Makawao, Hawaii 96768

808.572.9934

Public Testimony in Opposition of:

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Thank you for this consideration

Konnie Newbro

Board Member, Paia Youth Council, Inc. and Paia Youth & Cultural Center

117 Kuau Beach Place

Paia, Hawaii 96779

808-264-6660

maucowgirl@gmail.com

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- The OYS awards contracts for a variety of services for youth and families to multiple provider agencies for which **there are currently no state licensing requirements.** HB1642, HD1 would require all agencies applying for Chapter 103F contracts to be licensed. In other words, should this bill pass as written, *any agency without a license would be ineligible to apply for Chapter 103F contracts.*
- Consequently, HB1642, HD1 would greatly restrict the number of providers qualified to respond to a request for proposals issued by the OYS since the majority of current provider agencies would be prohibited from submitting proposals.
- The current procurement process requires the applicant propose a dollar amount to provide the proposed services and the State determines the amount of the award for the services based on the availability of funds and the quality of the proposal. During the contract negotiations, proposed budgets may be revised downward. It would not be in the best interest of the State to make contracts for the exact amount of the proposals submitted in response to a request for services.

Thank you for this consideration.

Mille Kohl
Paia Youth and Cultural Center
Board Member
844 Kokomo Rd..
Haiku, HI 96708
808-281-0122

Public Testimony in Opposition of:

BILL: HB 1642, HD1

(HSCR739)

DATE: Thursday, March 19, 2009

TIME: 1:45pm

RELATING TO THE PURCHASES OF HEALTH AND HUMAN SERVICES.

Specifies that proposals for purchases of health and human services must be submitted by duly licensed providers and for the exact amount to be expended by the State. (HB1642 HD1)

I am **strongly opposed** to the passing of HB 1642, HD1. The Paia Youth Council, Inc has had contracts for direct services with the State Office of Youth Services for the past 10 years. The passing of this bill would make us ineligible for contracts as there is no agency in place to license youth service centers who work with older teenagers on a prevention basis. I am further opposed because:

- HB1642, HD1 would not be beneficial for the process of purchasing services. Because of the complexities of the licensing process, it would take the State many years to develop and implement a state licensing system, thus hampering the State's ability to procure needed direct services.
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Thank you for this consideration.

Pete Jalbert

Secretary, Paia Youth Council, Inc.

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Thank you for this consideration.

Melekai Jenaon

House Host at the Paia Youth and Cultural Center

To whom it may concern:

I work at a youth center and I am **strongly opposed** to the passing of HB 1642, HD1. The Paia Youth Council, Inc has had contracts for direct services with the State Office of Youth Services for the past 10 years. The passing of this bill would make us ineligible for contracts as there is no agency in place to license youth service centers who work with older teenagers on a prevention basis. I am further opposed because:

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Thank you for this consideration.

Public Testimony in Opposition of:

BILL: HB 1642, HD1

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I am **strongly opposed** to the passing of HB 1642, HD1. The Paia Youth Council, Inc has had contracts for direct services with the State Office of Youth Services for the past 10 years. The passing of this bill would make us ineligible for contracts as there is no agency in place to license youth service centers who work with older teenagers on a prevention basis. The kids on the North Shore of Maui NEED the Paia Youth & Cultural Center, it is their HOME and the entire community would suffer if there were an interruption in services!! I am further opposed because:

- HB1642, HD1 would not be beneficial for the process of purchasing services. Because of the complexities of the licensing process, it would take the State many years to develop and implement a state licensing system, thus hampering the State's ability to procure needed direct services.
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Thank you for your time. Pete Swanzy



Family Support Services of West Hawaii

75-127 Lunapule Rd., #11

Kailua-Kona, HI 96740

Phone: (808) 326-7778 Fax: (808) 326-4063

Email: kids@fsswh.org

To: Senator Suzanne Chun Oakland, Chair and Senator David Y. Ige, Chair
Senator Les Ihara, Jr., Vice Chair and Senator Josh Green, Vice Chair
Members of the Senate Committees on Human Services and Health

Date of Hearing: Thursday, March 19, 2009

Time of Hearing: 1:45 pm

Place: Conference Room 016, State Capitol

Testimony: **In opposition to** HB 1642: Relating to Purchases of Health and Human Services

As Executive Director of Family Support Services of West Hawaii, I provide an array of different services to the community members on the island of Hawaii. Many of these are provided through contracts with the State Department of Health or Human Services. None of them are for services that require any kind of licensure.

In reading the testimony supporting this measure, it becomes apparent that the intent of this bill was to support med-quest contracted health plan providers, however, the language of the bill is so broad that it appears to apply to ALL Health and Human Services contracts.

Extrapolating the needs of the health insurance industry to the entire spectrum of health and human services contracts would be extraordinarily detrimental. Many health and human services contracts are for services for which there is no licensure process, nor according to best practice, would there be any need for licensure.

Please at the very minimum review the language of this bill and apply it only to the arena for which it was intended—if at all.

Thank you so much for your time.

Sincerely,

A handwritten signature in black ink that reads "JoAnn Bishop Freed". The signature is written in a cursive, flowing style.

JoAnn Bishop Freed
Kailua-Kona



Waianae Community Outreach

*P.O. Box 1912, Waianae, Hi 96792
Ph: (808) 696-5667 Fax: (808) 696-1869*

**HOPE for a New Beginning Shelter
(Helping Our People Excel)**

*Bldg 50 Belleau Woods, Kapolei, Hi 96707
Ph: (808) 682-4673 Fax: (808) 682-4670*

Partnerships in Building Community

"I put my hand in your hand, what I cannot do alone, we will do together"

Date: March 18, 2009

To: Sen. S. Chun-Oakland, Chair Human Services Committee
Sen. L. Ihara Jr., Vice Chair Human Services Committee
Sen. D. Ige, Chair Health Committee
Sen. J. Green, Vice Chair Health Committee

Re: HB1642HD1: RELATING TO PURCHASES OF HEALTH AND HUMAN SVCS

Aloha Chairs, Vice Chairs and committee members:

My name is Kanani Kaaiawahia Bulawan. I'm the administrative advisor to the board of directors' for Waianae Community Outreach. We are a community based non-profit organization primarily managing services through contracts with the State of Hawaii, Homeless Program Branch and have been under contract for more than 8 years.

I **STRONGLY OPPOSE** this measure as it does not make clear what is defined as "duly licensed" provider. As it stands currently, most providers of homeless shelters are not licensed but through business registration and other requirements we are considered qualified to perform and meet the scope of services outlined in the contracts.

Based on the above mentioned experience I ask that you **NOT SUPPORT** this measure. Should you have any questions or need additional information feel free to call me at 682-4673 or 783-9302. Thank you for giving me the opportunity to submit this testimony.

Mahalo,

Mission

Provide Comprehensive services with Aloha to individuals & families in need so they can become Self-Sufficient

Vision

Healthy Self-Sufficient Resilient Individuals & Families

Values

Understanding
Respect
Responsibility
Integrity
Compassion
Honesty