

NEIL ABERCROMBIE  
GOVERNOR



PATRICIA MCMANAMAN  
DIRECTOR

BARBARA A. YAMASHITA  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 12, 2012

TO: The Honorable John M. Mizuno, Chair  
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2810, S.D.1 - RELATING TO EMPLOYMENT EXEMPTION FOR  
DOMESTIC SERVICES AUTHORIZED BY THE DEPARTMENT OF  
HUMAN SERVICES**

Hearing: Monday, March 12, 2012; 8:30 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of the bill is to amend the definition of "employment" in the workers' compensation, temporary disability insurance, and prepaid health care statutes by clarifying the "domestic services" exclusion for services authorized by the Department of Human Services.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this Administration bill. Sections 386-1, 392-5, and 393-5, Hawaii Revised Statutes, exempt recipients of social service payments with developmental and intellectual disabilities from providing workers' compensation, temporary disability insurance, and prepaid health care. This bill will provide clarification and consistency by exempting the Department of Human Services (DHS), aged recipients and disabled recipients of home and community-based services, and recipients of DHS state-funded home and community-based services, from having to provide workers' compensation, temporary disability insurance, and prepaid health care. This exemption will allow

AN EQUAL OPPORTUNITY AGENCY

greater access to home and community-based services to needy individuals. Without this bill the Department and its contracted health plans will be out of compliance with State labor laws. This will require the Department to utilize money that is currently used to pay for benefits to be used to pay for workers' compensation, health coverage and temporary disability insurance.

If the exemption is not reinstated, through this bill, it is estimated that it will cost approximately \$6 million to pay for the insurance and health care coverage. This amount would have to be taken from benefit services to cover these costs.

Thank you for the opportunity to testify on this bill.

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.  
DIRECTOR OF HEALTH

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P.O. Box 3378  
HONOLULU, HAWAII 96801-3378

**WRITTEN  
ONLY**

**House Committee on Human Services**

**SB2810 SD1, RELATING TO EMPLOYMENT EXEMPTION FOR DOMESTIC  
SERVICES AUTHORIZED BY THE DEPARTMENT OF HUMAN SERVICES**

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.  
Director of Health**

**March 12, 2012**

- 1 **Department's Position:** Support.
- 2 **Fiscal Implications:** Defer to Department of Human Services.
- 3 **Purpose and Justification:** The purpose of this bill is to create a "domestic service" exemption for
- 4 recipients of social service payments with developmental and intellectual disabilities. Due to the nature
- 5 of their condition, such clients may not be fully able to manage Activities of Daily Living such as
- 6 chores, cooking, and transportation. This bill waives typical "employer" taxes and maximizes the
- 7 resources these clients have available for domestic services.
- 8
- 9 Thank you for the opportunity.

Testimony for HUS 3/12/2012 8:30:00 AM SB2810

Conference room: 329

Testifier position: Support

Testifier will be present: Yes

Submitted by: Scott Wall

Organization: United Self Help

E-mail: [robertscottwall@yahoo.com](mailto:robertscottwall@yahoo.com)

Submitted on: 3/11/2012

Comments:

United Self Help strongly supports this bill. The disabled who utilize the services of care givers need their help in a way that the members of this committee could not possibly appreciate barring having a loved one in a similar condition.

Whether it be a member of the physically disabled community, developmentally disabled community, or the behavioral health community, sometimes we just simply need some help. Be that cooking, cleaning, shopping, or for some, simply taking a bath.

The fact that the government helps to pay for these services is a blessing. These individuals are the difference between life and death for far too many of our fellow citizens. The people that choose to do this work do so because they are driven to help.

Let there be no doubt they deserve health care and unemployment insurance. Let there also be no doubt that a person living on Social Security at an average of \$770 a month can not possibly fund these benefits. The fact that we can find people willing to take these jobs is a blessing.

In 2014 the Affordable Care Act will help to take care of this problem. Right now though we need to have this exemption passed so that we don't lose this service.

Please support this bill.

Mahalo,

Robert Scott Wall

United Self Help