

Honolulu, Hawaii

FEB 11 2016

RE: S.B. No. 2674

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2674 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL INVESTIGATIONS BY THE  
REGULATED INDUSTRIES COMPLAINTS OFFICE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs to establish a division that specializes in medical cases involving regulated professions and occupations; and
- (2) Appropriate funds for five full-time equivalent (5.0 FTE) field investigators who specialize in medical cases.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that the Regulated Industries Complaints Office investigates allegations of professional misconduct by licensees and any possible unlicensed activity that may be occurring in Hawaii. When professions and occupations involve complex medical issues and scopes of practice that are widely varied, the enforcement of these professional and occupational regulations can be especially challenging. Your Committee further



finds that despite the Regulated Industries Complaints Office's critical role in protecting consumers, the Office lacks investigators with specialized experience or expertise in medical issues. The additional positions proposed by this measure would assist the Regulated Industries Complaints Office in its investigation of medical complaints and allow the Office's existing staff more time to investigate complaints involving the other professions overseen by the Regulated Industries Complaints Office.

Your Committee has heard testimony from the Regulated Industries Complaints Office that the Office currently employs nine attorneys to handle licensed and unlicensed activity prosecutions for all forty-nine professions the Office oversees. Accordingly, the Regulated Industries Complaints Office would be better served by the addition of two full-time equivalent staff attorneys and four full-time equivalent field investigators devoted to the investigation of medical complaints. The Regulated Industries Complaints Office has expressed concerns about adding additional staff on the neighbor islands and has noted that the Office must rent office space, as space in the government buildings on the neighbor islands is extremely limited. Your Committee finds that because many medical complaint cases can be investigated remotely, housing new medical investigation staff on Oahu may be more economically feasible at this time.

Finally, your Committee has requested the Regulated Industries Complaints Office to provide an estimated cost breakdown for the proposed positions established by this measure, as this measure will next be considered by your Committee on Ways and Means. According to information received from the Regulated Industries Complaints Office, the ongoing direct personnel costs for a new Investigator IV are estimated at \$81,733, including fringe benefits. An additional \$5,830 in other operating costs are estimated for each investigator, for a total ongoing direct cost of \$87,563 per investigator. The Regulated Industries Complaints Office estimates a one-time direct cost expense for each investigator at \$4,850. The Regulated Industries Complaints Office has also estimated the following costs per staff attorney: ongoing direct personnel costs at \$110,960, including fringe benefits, in addition to \$2,850 in other operating costs, for a total ongoing direct cost of \$113,810 per staff attorney.

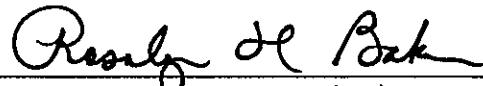
Your Committee has amended this measure by:



- (1) Amending the proposed positions established by this measure to four full-time equivalent (4.0 FTE) field investigators and two full-time (2.0 FTE) staff attorneys;
- (2) Removing language that would have specified the counties for which the new field investigator positions established by this measure would be designated; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2674, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,



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ROSALYN H. BAKER, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2674</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPH, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-3-16</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.	/			
SLOM, Sam	/			
<b>TOTAL</b>	7			
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-left: 50px;">Michelle N. Kidani</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

\*Only one measure per Record of Votes