### **HCR 94**

REQUESTING THE
DEVELOPMENT OF A
STATE INFORMATION
TECHNOLOGY
STRATEGIC PLAN TO
INCLUDE DATA GOALS
AND OBJECTIVES

## HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEVELOPMENT OF A STATE INFORMATION TECHNOLOGY STRATEGIC PLAN TO INCLUDE DATA GOALS AND OBJECTIVES.

WHEREAS, the commitment of the government leadership of the State of Hawaii to strategic business and information technology transformation over the long term is essential to successfully harnessing the power of technology to increase service quality and satisfaction for Hawaii's people on any island and at any time; to elevating the State's workforce so they are able to compete within a 21st Century economy that provides living wages; to securing and protecting citizens' data and privacy in the modern era; and to promoting cost-efficiency, effectiveness, and transparency in the use of taxpayer funds; and

WHEREAS, many states and major municipalities across the United States have adopted open data driven policies that require government agencies to collect and publish data, as well as promote data collection and sharing in the private sector, in recognition that access to empirical data is critical to providing decision makers with the information they need to make informed decisions in the interest of citizens; and

WHEREAS, the State of Hawaii, unlike many states and municipalities, does not have a full-time chief data officer, and the State's data remains decentralized across the executive branch, limiting the opportunities to integrate systems that would promote the State's data goal; and

WHEREAS, the Information Technology Steering Committee was established pursuant to section 27-43(b), Hawaii Revised Statutes, to assist the Chief Information Officer in developing the information technology standards and policies, including but not limited to developing and implementing the State information technology strategic plan; and

WHEREAS, the Information Technology Steering Committee has diverse public- and private-sector stakeholder representation and consists of eleven members representative of all three branches of State government, with four members appointed by the Senate President, four members appointed by the Speaker of the House of Representatives, one member appointed by the Chief Justice, and one member appointed by the Governor; and includes representatives from executive branch departments, the Judiciary, the Legislature, and private individuals, with the Chief Information Officer serving as the chair; and

WHEREAS, the Chief Information Officer, in conjunction with the Information Technology Steering Committee, in fiscal year 2018, has worked with each executive branch department and agency to develop and adopt a process that develops and maintains its respective multi-year information technology strategic and tactical plans and road maps, pursuant to section 27-43(a), Hawaii Revised Statutes, and such road maps may inform the development of statewide data goals and objectives; and

WHEREAS, each executive branch department is already required to use reasonable efforts to make appropriate and existing electronic data sets maintained by the department electronically available to the public through the State's open data portal at data.hawaii.gov or a successor website designated by the Chief Information Officer, pursuant to section 27-44, Hawaii Revised Statutes; and

WHEREAS, the 2017 Legislature further recognized the importance of open data by passing legislation to expand government data availability and transparency by adding section 27-44.3, Hawaii Revised Statutes, further requiring the Chief Information Officer, in consultation with the Office of Information Practices, to develop policies and procedures to implement section 27-44, Hawaii Revised Statutes, including standards to determine which data sets are appropriate for online disclosure, with the goal of making data sets available to the greatest number of users and for the greatest number of applications to ensure government operations are transparent; and

### H.C.R. NO. 94

WHEREAS, the Chief Information Officer, in conjunction with the Information Technology Steering Committee, is statutorily mandated under section 27-43(a), Hawaii Revised Statutes, to develop, implement, and manage the State information technology strategic plan, as well as report annually to the Governor and the Legislature on the status and implementation of the State Information Technology Strategic Plan; and

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WHEREAS, the State of Hawaii Business and Information Technology/Information Resource Management Transformation Plan was unveiled by a previous Chief Information Officer in 2012 providing a proposed long-term vision for State transformation initiatives, but due to limited resources and funds that proposed plan was not formally adopted nor fully implemented, and technology has continued to evolve over the past six years requiring reevaluation of strategic objectives; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2018, the Senate concurring, that the Information Technology Steering Committee is requested to develop the State Information Technology Strategic Plan to include data goals and objectives; and

 BE IT FURTHER RESOLVED that the Information Technology Steering Committee is requested to consider model legislation in other states, as well as commonly accepted best practices, to establish a State of Hawaii data strategy for inclusion in the State Information Technology Strategic Plan; and

BE IT FURTHER RESOLVED that the Information Technology Steering Committee is requested to consult with the Department of Accounting and General Services, including the Office of Enterprise Technology Services and the Office of Information Practices, as well as other departments with relevant data expertise in the development of the State Information Technology Strategic Plan and data goals and objectives; and

 BE IT FURTHER RESOLVED that the Information Technology Steering Committee is requested to submit the State Information Technology Strategic Plan with data goals and objectives, as well as recommendations, including any necessary proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019; and

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BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, the Comptroller, the Chief Information Officer, and the Director of the Office of Information Practices.

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## **HCR 94**

## **TESTIMONY**



### STATE OF HAWAI'I OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119 Ph: (808) 586-6000 | Fax: (808) 586-1922 ETS.HAWAII.GOV

### Testimony of TODD NACAPUY Chief Information Officer, State of Hawai'i

Before the

# HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT TUESDAY, March 27, 2018 10:00 A.M. State Capitol, Conference Room 309 HOUSE CONCURRENT RESOLUTION NO. 94

Dear Chair Johanson and Vice Chair Holt, and members of the committee:

I am Todd Nacapuy, Chief Information Officer (CIO) for the State of Hawai'i and head of the Office of Enterprise Technology Services (ETS), testifying in **support of the intent** of House Concurrent Resolution No. 94, requesting the development of a state information technology strategic plan to include data goals and objectives.

ETS supports the open data initiatives which are already included as part of ETS' ongoing priorities and objectives. Through ETS' strategic planning and roadmapping, which includes open data, the State realized a savings of \$11 million dollars last year. Further, open data is one of the key criteria used by the Information Technology Steering Committee to rate the performance of the CIO.

Thank you for this opportunity to testify in support of this resolution.

DAVID Y. IGE GOVERNOR DR. CHRISTINA M. KISHIMOTO SUPERINTENDENT



### STATE OF HAWAII DEPARTMENT OF EDUCATION POROX 2360

P.O. BOX 2360 HONOLULU, HAWAI'I 96804

> Date: 03/27/2018 Time: 10:00 AM Location: 309

Committee: House Labor & Public

**Employment** 

**Department:** Education

**Person Testifying:** Dr. Christina M. Kishimoto, Superintendent of Education

Title of Resolution: HCR 094 REQUESTING THE DEVELOPMENT OF A STATE

INFORMATION TECHNOLOGY STRATEGIC PLAN TO INCLUDE

DATA GOALS AND OBJECTIVES.

Purpose of Resolution:

#### **Department's Position:**

The Department of Education supports the intent of HCR 94/HR 78 and provides the following comments:

As the Information Technology Steering Committee moves forward with its efforts to develop the State Information Technology Strategic Plan and data goals and objective, the Department encourages the committee to consult with the Department to ensure privacy regulations related to student data are adhered to. Since the Department does not have representation on the Information Technology Steering Committee, and student privacy regulations are different between K-12 and higher education, consulting with the Department on its data is recommended.

The Department also sees the value in data and cross-sector data sharing as a means of making informed decisions, as well as developing and measuring strategic goals. The Department has established practices to make data available through its Hawaii public schools website, Accountability Data Center, and Strategic Plan Dynamic reports. In addition, the Department's data sharing with the University of Hawaii's Hawaii P-20 office has provided valuable information about students throughout education pipeline, including the College and Career Readiness Indicators Report (CCRI).

Finally, the Department recently presented its Five Year Technology Plan to the Board of Directors. In that plan, the department identifies the capabilities that support the successful

operation of the 10th largest school district in the nation. These capabilities depend on a strong sense of data goals and objectives and directly enable appropriate sharing of data.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at <a href="https://www.hawaiipublicschools.org">www.hawaiipublicschools.org</a>.

### HGEA A F S C M E

#### HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii
House of Representatives
Committee on Labor and Public Employment

Testimony by Hawaii Government Employees Association

March 27, 2018

H.C.R. 94 – REQUESTING THE DEVELOPMENT
OF A STATE INFORMATION TECHNOLOGY
STRATEGIC PLAN TO INCLUDE
DATA GOALS AND OBJECTIVES

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.C.R. 94 which request the development of a state information technology strategic plan to include data goals and objectives.

While the state has made progress in establishing the Chief Information Officer, a long-term IT strategic plan has yet to be adopted to improve the delivery of programs and services, maximize accountability, efficiency, and transparency, and to secure residents' data. We strongly support the purpose and intent of H.C.R. 94 which requests the IT Steering Committee to take an active role in developing the state IT strategic plan by utilizing legislation from other states and industry best practices.

Thank you for the opportunity to provide testimony in support of H.C.R. 94.

Respectfully submitted,

Randy Perreira Executive Director

<u>HCR-94</u> Submitted on: 3/23/2018 11:37:40 AM

Testimony for LAB on 3/27/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Foster	Hawaii Advocates For Consumer Rights AND The Kupuna Caucus of the Democratic Party of Hawaii	Support	No

Comments:

March 23, 2018

Honorable Aaron Ling Johanson, Chair Honorable Daniel Holt, Vice Chair Committee on Labor and Public Employment House of Representatives State Capitol 415 South Beretania Street Honolulu, Hawai'i 96813

Re: House Concurrent Resolution 94/House Resolution 78 requesting the development of a state information technology strategic plan to include data goals and objectives.

Chair Johanson, Vice Chair Holt and Committee Members:

The Honolulu Japanese Chamber of Commerce respectfully <u>supports</u> House Concurrent Resolution 94/House Resolution 78 requesting the development of a state information technology strategic plan to include data goals and objectives, which are to be heard by your Committee on Labor and Public Employment on March 27, 2018.

As noted in the State of Hawai'i Auditor Report No. 09-06, which was one of the bases for Act 200, SLH 2010, which originally enacted section 27-43, Hawaii Revised Statutes:

IT strategic planning is an important process, which drives the creation of new capabilities, improves processes, and reduces inefficiencies. Proper planning is crucial to ensure public moneys spent on IT initiatives will provide a beneficial return on investment. Strategic planning aligns IT resources with organizational priorities and addresses risks. An IT strategic plan should present how its stated goals and initiatives will contribute to the State's strategic objectives, lower costs, and mitigate risk. Additionally, an IT strategic plan should include clear objectives, tasks, criteria to monitor progress, and sufficient detail to guide the development of action plans.

Rep. No. 09-06, at 19.

Thank you for your consideration of the foregoing.

1///

Very truly yours,

Peter J. Hamasaki

Chair, Government Affairs Committee

2454 South Beretania Street, Suite 201 Honolulu, Hawaii 96826

Partie

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Tuesday, March 27, 2018 at 10:00 am Conference Room 309

#### **House Committee on Labor & Public Employment**

To: Representative Aaron Johanson, Chair

Representative Daniel Holt, Vice Chair

From: Michael Robinson

Vice President & Government Relations

Re: Testimony In Support for HCR 94/HR 78

Requesting the development of a state information technology strategic plan to include data goals and objectives.

My name is Michael Robinson, Vice President of Government Relations and Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawai'i and the Pacific Region with high quality, compassionate care. Additionally, I serve on the Leadership Committee of Transform Hawai'i Government (THG), a coalition of organizations and individuals who believe in improving government services for every Hawai'i resident on every island.

I write in support of HCR 94 and HR 78 which request the development of a state information technology strategic plan to include data goals and objectives. The commitment of state leadership to strategic information technology transformation over the long term is essential to the government's ability to successfully leverage technology toward improving services for Hawai'i's residents and businesses.

While progress has been made since the Legislature established the position of the State of Hawai'i Chief Information Officer, a long-term IT strategic plan has yet to be adopted. Such a plan is necessary to:

- Improve the delivery of programs and services to citizens, businesses and within state government;
- Maximize our state's potential for greater accountability, efficiency, and transparency in the use of taxpayer dollars;
- Best secure protected data and critical infrastructure; and
- Sufficiently empower our state's workforce to meet the demands of an increasingly technology-dependent workplace.

Although many states across the nation have adopted open data-driven policies that require agencies to collect, maintain and make accessible, where permissible, a variety

of data and information our state's data remains decentralized, limiting the opportunities for integration and achieving data goals.

Thank you for the opportunity to provide testimony on this bill.

#### **OFFICE OF INFORMATION PRACTICES**

STATE OF HAWAII NO. 1 CAPITOL DISTRICT BUILDING 250 SOUTH HOTEL STREET, SUITE 107 HONOLULU, HAWAII 96813

TELEPHONE: 808-586-1400 FAX: 808-586-1412

EMAIL: oip@hawaii.gov

To: House Committee on Labor & Public Employment

From: Cheryl Kakazu Park, Director

Date: March 27, 2018, 10:00 a.m.

State Capitol, Conference Room 309

Re: Testimony on H.C.R. No. 94 / H.R. No. 78

Requesting the Development of a State Information Technology Strategic Plan to Include Data Goals and Objectives

Thank you for the opportunity to submit testimony on this resolution, which would request the development of a State Information Technology Strategic Plan. The Office of Information Practices (OIP) supports the intent of this resolution, and is prepared to assist in the development of such a plan as requested.

Thank you for the opportunity to testify.



March 27, 2018

Representative Aaron Johanson, Chair Representative Daniel Holt, Vice Chair House Committee on Labor and Public Employment Conference Room 309 Hawai'i State Capitol Honolulu, HI 96813

RE: Testimony on HCR 94/HR 78 – REQUESTING THE DEVELOPMENT OF A STATE INFORMATION TECHNOLOGY STRATEGIC PLAN TO INCLUDE DATA GOALS AND OBJECTIVES.

Chair Johanson, Vice Chair Holt and Members of the Committee:

My name is Christine Sakuda and I serve as the executive director of Transform Hawai'i Government (THG), a coalition of organizations and individuals who believe in improving government services for every Hawaii resident on every island. THG **strongly supports** HCR 94 and HR 78 which requests the development of a state information technology strategic plan to include data goals and objectives.

We believe that the commitment of state leadership to strategic information technology transformation over the long term is essential to the government's ability to effectively and efficiently provide services for Hawai'i's residents and businesses. A long-term IT strategic plan is needed to improve the delivery of programs and services to citizens, businesses and within state government; maximize our state's potential for greater accountability, efficiency, and transparency in the use of taxpayer dollars; secure protected data and critical infrastructure; and empower our state's workforce to meet the demands of an increasingly technology-dependent workplace.

Many states across the nation have adopted open data-driven policies that require agencies to collect, maintain and make accessible, where permissible, a variety of data and information to ensure decision-makers have the information they need to make informed decisions in shaping the future of our state. However, our state's data remains decentralized, limiting the opportunities for integration and achieving data goals. This resolution is an important step toward addressing this opportunity. We respectfully request that you advance it.

Thank you for the opportunity to testify in support of HCR 94 and HR 78.

#### HCR-94

Submitted on: 3/25/2018 7:28:53 PM

Testimony for LAB on 3/27/2018 10:00:00 AM

Submitted E	Ву	Organization	Testifier Position	Present at Hearing
Melodie Adu	ja	Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

#### Comments:

To the Honorable Aaron Ling Johanson, Chair; the Honorable Daniel Holt, Vice-Chair, and Members of the Committee on Labor & Public Employment:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HCR94 / HR**78 requesting the Information Technology Steering Committee to develop the State Information Technology Strategic Plan to include data goals and objectives.

OCC Legislative Priorities Committee is in favor of **HCR94 / HR 78** and supports its passage.

HCR94 / HR 78 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it requests the Information Technology Steering Committee to develop the State Information Technology Strategic Plan to include data goals and objectives.

The DPH Platform states that "We recognize that the responsible use and development of technology in all its manifestations offers immense potential for our community, government, including institutions of higher education and business sectors. We encourage synergistic research, development, commercialization and educational programs to promote technological proficiency and innovation." (Platform of the DPH, P3, Lines 149-152 (2016)).

Given that **HCR94 / HR 78** requests the Information Technology Steering Committee to develop the State Information Technology Strategic Plan to include data goals and objectives, it is the position of the OCC Legislative Priorities Committee to support these measures.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889



## Testimony to the House Committee on Labor and Employment Representative Aaron Ling Johanson, Chair, Representative Daniel Holt, Vice Chair Tuesday, March 27, 2018 Conference Room 309

HCR 94/HR 78 - REQUESTING THE DEVELOPMENT OF A STATE INFORMATION TECHNOLOGY STRATEGIC PLAN TO INCLUDE DATA GOALS AND OBJECTIVES.

March 26, 2018

Chair Johanson, Vice Chair Holt and Committee Members:

My name is Lisa Maruyama of the Hawai'i Alliance of Nonprofit Organizations, and I serve on the Leadership Committee of Transform Hawai'i Government (THG), a coalition of organizations and individuals who believe in improving government services for every Hawai'i resident on every island. I respectfully wish to express my strong support for this resolution requesting the development of a state information technology strategic plan to include data goals and objectives.

I agree that the commitment of state leadership to strategic information technology transformation over the long term is essential to the government's ability to successfully leverage technology toward improving services for Hawai'i's residents and businesses.

While progress has been made since the Legislature established the position of the State of Hawai'i Chief Information Officer, a long-term IT strategic plan has yet to be adopted. Such a plan is necessary to:

- Improve the delivery of programs and services to citizens, businesses and within state government;
- Maximize our state's potential for greater accountability, efficiency, and transparency in the use of taxpayer dollars;
- Best secure protected data and critical infrastructure; and
- Sufficiently empower our state's workforce to meet the demands of an increasingly technologydependent workplace.

Further, as this resolution recognizes, many states across the nation have adopted open data-driven policies that require agencies to collect, maintain and make accessible, where permissible, a variety of data and information to ensure decision-makers have the information they need to make informed decisions in shaping the future of our state. However, our state's data remains decentralized, limiting the opportunities for integration and achieving data goals.

I therefore strongly support this resolution requesting that the IT Steering Committee take an active role in developing the state IT strategic plan, including consideration of legislation from other states and industry best practices to establish a state data strategy.

Thank you for the opportunity to provide testimony in support of this resolution.

Lisa Maruyama President & CEO



To: Rep. Aaron Ling Johanson, Chair

Rep. Daniel Holt, Vice Chair

Members of the Committee on Labor & Public Employment

Date: Tuesday, March 27, 2018

Time: 10:00 a.m.

Place: State Capitol, Conference Room 309

#### STRONG SUPPORT FOR HCR38

As President of Work Injury Medical Association of Hawaii representing the providers treating injured workers in our state, we strongly support HCR38.

As stated in the Resolution, although workers' compensation premiums in Hawaii have dropped significantly since the reforms in the mid-1990s, it is important to understand the impact of medical bill review costs, which include pharmacy benefit manager and third-party administrator costs, on the State's workers' compensation system. There are a couple of measures still alive that appear to be aimed at bringing greater transparency to contractual relationships with third-party administrators and pharmacy benefit managers, including SB2773 and SB3104. It is apparent that others have recognized the need to shed more light upon the financial impact of medical bill review costs. SB2773, as currently drafted, does not appear to include workers compensation third party administrators.

Bill review is very profitable. As the Resolution states, bill review costs may represent up to fifty percent of the total per claim handling fees. Sadly, that profit comes at the expense of other stakeholders in workers' comp.

In a recent article<sup>1</sup>, industry researcher Peter Rousmaniere documents some of the more egregious ways in which pharmacy benefit management companies (PBMs), provider networks,

<sup>&</sup>lt;sup>1</sup> Peter Rousmaniere, "2018: The Year to Reform Vendor Contracting," January 3, 2018, https://www.workerscompensation.com/.

and bill review services have "played the spread" between their costs and what they charge claims payers. Noting that recent rate filings by the National Council on Compensation Insurance have lowered insurers' costs by 10 percent annually, Rousmaniere estimates that the overhead cost to employers for managing claims has grown at a rate of 9 percent a year since the 1990s.

While industry lobbyists continue to attempt to sell state legislators on closed formularies and other initiatives designed to reduce workers' compensation benefits even further, insurance industry umbrella companies have been using practices such as these to rake in record profits:

- <u>Provider networks.</u> According to settlement documents in a lawsuit filed by the
  Independent Physical Therapists of California, Rousmaniere writes, provider network One
  Call "overrode the expressed wishes of patients and their doctors from higher to lower
  cost physical therapists" and "added charges for physical therapy for which the therapists
  themselves did not bill."
- Pharmacy benefit management companies. PBMs have employed a similar tactic, playing the spread between their cost for prescription drugs and what they charge employers for the same medication. By charging employers a percentage of an artificial benchmark called "average wholesale price," while buying drugs at a much lower cost, PBMs have made huge profits.
- <u>Bill review vendors</u>. Rousmaniere cites the example of a bill review vendor that made a profit of more than half a million dollars from a single employer for performing a routine computer task to adjust several thousand invoices to the state fee schedule. "Why did the insurer allow its bill review firm to price gouge?" Rousmaniere asks. "Did it receive an undisclosed part of the windfall?"

Mahalo for your consideration,

Scott Miscovich, MD

President

<u>HCR-94</u> Submitted on: 3/23/2018 2:16:42 PM

Testimony for LAB on 3/27/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Bidleman	Individual	Support	No

Comments:

March 23, 2018

Rep. Aaron Ling Johanson, Chair Rep. Daniel Holt, Vice Chair House Committee on Labor and Public Employment State Capitol, Conference Room 309 415 South Beretania Street Honolulu, HI 96813

RE: Testimony in Support of HCR94, Requesting the Development of a State Information Technology Strategic Plan to include Data Goals and Objectives.

Chair, Vice Chair and Committee Members:

As a coalition member of Transform Hawaii Government, I respectfully wish to express my support for HCR94, Requesting the Development of a State Information Technology Strategic Plan to include Data Goals and Objectives.

I agree that the commitment of state leadership to strategic information technology transformation over the long term is essential to the government's ability to successfully leverage technology toward improving services for Hawaii's residents and businesses.

Such a plan is necessary to improve the delivery of programs and services to citizens, businesses and within state government; maximize our state's potential for greater accountability, efficiency, and transparency in the use of taxpayer dollars; secure protected data and critical infrastructure; and sufficiently empower our state's workforce to meet the demands of an increasingly technology-dependent workplace.

Aloha

Dale Aiello

<u>Dale.aiello@gmail.com</u>

808 382 4490

### **HCR 94**

# LATE TESTIMONY