

STAND. COM. REP. NO. 1409

Honolulu, Hawaii

MAR 24 2023

RE: H.B. No. 978  
H.D. 2  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committees on Government Operations and Health and Human Services, to which was referred H.B. No. 978, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize heads of purchasing agencies to issue requests for statements of qualification and to establish lists of qualified providers for treatment purchase of services; and
- (2) Increase the small purchase threshold for health and human services.

Your Committees received testimony in support of this measure from the State Procurement Office and Department of Accounting and General Services.

Your Committees find that agencies under the treatment purchase of service procurement method are unable to establish and use their own lists of qualified providers as needed, specifically for the provision of health and human services. Your Committees further find that the small purchase threshold for health and



human services, established under section 103F-405, Hawaii Revised Statutes, has remained unchanged at \$25,000 since the establishment of chapter 103F, Hawaii Revised Statutes, in 1997. Therefore, this measure authorizes heads of purchasing agencies to establish lists of qualified providers for treatment purchase of service procurement and provides adjustments to the small purchase threshold, which will benefit state agencies that purchase health and human services by reducing administrative costs, accelerating small purchase procedures, and freeing up scarce resources to execute complex high-dollar value procurements.

Your Committees have amended this measure by removing the independent numerical limit for the small purchases of health and human services and aligning it instead with the threshold for goods and services established in section 103D-305(a), Hawaii Revised Statutes, which is currently \$100,000.

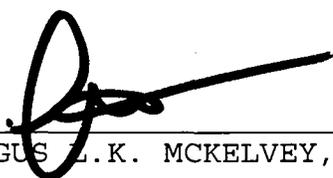
As affirmed by the records of votes of the members of your Committees on Government Operations and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 978, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 978, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Government  
Operations and Health and Human  
Services,



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JOY A. SAN BUENAVENTURA, Chair



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ANGUS L.K. MCKELVEY, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Government Operations**  
**GVO**

Bill / Resolution No.:* <b>HD978, HD2</b>	Committee Referral: <b>GVO, HHS, WAM</b>	Date: <b>3-23-23</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
MCKELVEY, Angus L.K. (C)	✓			
GABBARD, Mike (VC)	✓			
SAN BUENAVENTURA, Joy A.	✓			
WAKAI, Glenn	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<b>5</b>	<b>—</b>	<b>—</b>	<b>—</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

