



**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE**  
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WASHINGTON, D.C. 20301-1500

MANPOWER AND  
RESERVE AFFAIRS

February 8, 2023

The Honorable Senator Joy A. San Buenaventura, Chair  
Committee on Health and Human Services  
415 South Beretania St.  
Honolulu, HI 96813

**SUBJ: Letter of Support – SB 323 (Relating to the Occupational Therapy Licensure Compact)**

Dear Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee:

On behalf of the U.S. Department of Defense (DoD) and military families, I am writing to express strong support for the policy addressed in Senate Bill 323.

DoD has advocated for improved licensure and career portability for military Service members and their spouses for several years. Military spouses are disproportionately affected by state-specific professional licensing requirements that can cause delays and gaps in employment, with thirty-six percent requiring a state license to practice in their professions and an annual cross-state relocation rate ten times higher than their civilian counterparts. Accordingly, military spouses experience unemployment and underemployment at significantly higher rates than their civilian peers.

State policies enacting interstate licensure compacts, such as the Occupational Therapy Licensure Compact (OTLC), relieve one of the many stressors of frequent military moves by enabling military spouses to transfer their licenses more quickly across state lines and obtain employment as soon as they relocate to a new state. These policies facilitate greater career sustainability for military spouses, improving their families' financial security and overall resilience.

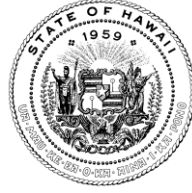
Finally, interstate licensure compacts benefit not only military spouses, but also apply to all eligible professionals to include active duty Service members, members of the reserve components, veterans, and civilians. By enacting the OTLC policy, Hawaii would have the opportunity to increase its healthcare workforce available to serve the local community while supporting military families. Twenty-two states have enacted legislation to participate in the OTLC thus far, and ten additional states including Hawaii have introduced legislation to enact this compact in 2023.

In closing, the Department of Defense is very appreciative of Hawaii's ongoing commitment and efforts to support members of the military and their families who sacrifice much in service to our country. Thank you, Chair San Buenaventura, for spearheading this effort and providing me the opportunity to provide comments in support of this policy proposal.

Sincerely,

A handwritten signature in black ink that reads "Kelli May Douglas".

Kelli May Douglas  
Pacific Southwest Regional Liaison  
Defense-State Liaison Office  
DoD, Military Community & Family Policy  
571-265-0075



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
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DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Health and Human Services  
Friday, February 10, 2023  
1:00 p.m.  
Conference Room 225 & Videoconference**

**On the following measure:  
S.B. 323, RELATING TO THE OCCUPATIONAL THERAPY**

Chair San Buenaventura and Members of the Committee:

My name is Risé Doi, and I am the Executive Officer of the Department of Commerce and Consumer Affairs' Occupational Therapy Program (Program). The Program offers comments on this bill.

The purpose of this bill is to adopt the Occupational Therapy Licensure Compact allowing occupational therapists and occupational therapy assistants licensed in a member state to practice in other member states.

The Department, in consultation with the American Occupational Therapy Association, determined that it is unable to participate as a member state of the Compact because it does not meet the requirements to join. As clearly identified on page 10, line 8, to be a member state of the Compact, a jurisdiction shall "(h) Have continuing competence/education requirements as a condition for license renewal." The Program does not currently require continuing education for occupational therapists. Thus, it is unable to join.

Further, the Department questions whether it is necessary for the State to join this Compact since its current licensure process for becoming a Hawaii licensed occupational therapist or occupational therapy assistant is relatively straight-forward. The applicant submits an application with the application fee, provides proof of National Board for Certification in Occupational Therapy (NBCOT) certification and pays the licensure fee. The Compact requirements appear to be more burdensome, which could ultimately delay the process even further.

Thank you for the opportunity to testify on this bill.



February 10, 2023

The Honorable Joy A. San Buenaventura, Chair  
The Honorable Henry J.C. Aquino, Vice Chair  
Senate Committee on Health and Human Services

Re: SB323 – Relating to the Occupational Therapy Licensure Compact

Dear Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB323, which adopts the Occupational Therapy Licensure Compact allowing occupational therapists and occupational therapy assistants licensed in a member state to practice in other member states.

HMSA believes in strengthening access to quality health care services in the state of Hawaii. Participation in the compact can help, particularly in rural and underserved communities where the need is greatest. By creating an opportunity for providers who are already licensed in other states to practice in Hawaii, we can expand and support our current health care workforce while making it easier for Hawaii residents to access health care in the place they're located at the time when they need it.

We support Hawaii's participation in interstate compacts, and while broad participation would be ideal, we defer to DCCA for determining capacity and prioritization.

Thank you for the opportunity to testify on SB323.

Sincerely,

Dawn Kurisu  
Assistant Vice President  
Community and Government Relations



February 10, 2023

**To: Chair San Buenaventura, Vice Chair Aquino, and Members of the Senate Committee on Health and Human Services**

From: Hawaii Association of Health Plans Public Policy Committee

Date/Location: February 10, 2023; 1:00 p.m., Conference Room 225/Videoconference

**Re: Testimony in support of SB 323 – Relating to the Occupational Therapy Licensure Compact.**

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to testify in support of SB 323. HAHP is a statewide partnership that unifies Hawaii's health plans to improve the health of Hawaii's communities together. A majority of Hawaii residents receive their health coverage through a plan associated with one of our organizations.

HAHP appreciates the compact's ability to relieve some of the burden on our health care providers and increase resources and access for rural communities. HAHP also recognizes that the pandemic highlighted gaps in our health care system. Workforce support and expansion is important to strengthening Hawaii's health care network. While we recognize that participation in all of the compacts is probably not doable immediately, we support a prioritized and systematic approach to participation in interstate compacts to expand Hawaii's "toolkit" for providing essential care for our members and our community.

Thank you for the opportunity to testify on SB 323.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

AlohaCare | HMAA | HMSA | Humana | HWMG | Kaiser Permanente | MDX Hawaii | Ohana Health Plan | UHA Health Insurance | UnitedHealthcare

[hahp.org](http://hahp.org) | 818 Keeaumoku Street, Honolulu, HI 96814 | [info@hahp.org](mailto:info@hahp.org)



February 10, 2023

1 p.m.

Conference Room 225 and Via Videoconference

**To: Senate Committee on Health and Human Services**

**Sen. Joy A. San Buenaventura, Chair**

**Sen. Henry J.C. Aquino, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

RE: SB323 — RELATING TO THE OCCUPATIONAL THERAPY LICENSURE COMPACT

***Comments Only***

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [SB323](#), which would enter Hawaii into the Occupational Therapy Licensure Compact.

If this bill is enacted, the Legislature will take an important step toward encouraging more occupational therapists and occupational therapist assistants to practice in Hawaii.

A 2015 study reported that, “As the baby boomer generation retires in growing numbers, the demand for occupational therapists specializing in geriatrics will be particularly strong.” However, it also predicted that Hawaii would have one of the worst shortages of occupational therapists in the country by 2030.<sup>1</sup>

Fixing the problem requires a multipronged strategy that will address everything from Hawaii’s high cost of living to the state’s regulatory scheme for healthcare facilities. Perhaps most important is the need to reform licensing regulations for healthcare professionals.

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<sup>1</sup> Vernon Lin, Xiaoming Zhang and Pamela Dixon, [“Occupational Therapy Workforce in the United States: Forecasting Nationwide Shortages.”](#) PM&R, September 2015.

One-fourth of all licensed workers in the U.S. work in healthcare.<sup>2</sup> Their licenses can be difficult to obtain, are expensive and carry geographic or “scope of practice” limitations.

As discussed in an upcoming policy brief on medical licensing by the Grassroot Institute of Hawaii, the state’s shortage of healthcare professionals makes its restrictions on healthcare workers who already hold licenses in other U.S. states seem redundant and self-defeating.

As the Federal Trade Commission noted in a report on occupational licensing portability:

There is little justification for the burdensome, costly, and redundant licensing processes that many states impose on qualified, licensed, out-of-state applicants. Such requirements likely inhibit multistate practice and delay or even prevent licensees from working in their occupations upon relocation to a new state. Indeed, for occupations that have not implemented any form of license portability, the harm to competition from suppressed mobility may far outweigh any plausible consumer protection benefit from the failure to provide for license portability.<sup>3</sup>

In other words, though medical licensing is intended to protect the public, there is a point at which the level of regulation reduces the number of people in practice without an appreciable public benefit.

One study of licensing among medical professionals found that “licensing is associated with restricted labor supply, an increased wage of the licensed occupation, rents, increased output prices, and no measurable effect on output quality.”<sup>4</sup>

This is where we can benefit from the lessons learned during the coronavirus situation. The governor’s emergency modification to state licensing laws demonstrated a need to embrace license portability, making it a simple matter for a healthcare professional licensed in another state to practice in Hawaii.

The interstate compact approach outlined in this bill would streamline licensing for occupational therapists and occupational therapy assistants, making it easier for them to move

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<sup>2</sup> Ryann Nunn, [“Improving Health Care Through Occupational Licensing Reform.”](#) RealClear Markets, Aug. 28, 2018

<sup>3</sup> Karen Goldman, [“Options to Enhance Occupational License Portability.”](#) U.S. Federal Trade Commission, September 2018, p. 25.

<sup>4</sup> Sean Nicholson and Carol Propper, [“Chapter Fourteen — Medical Workforce.”](#) in “Handbook of Health Economics, Vol. 2,” Elsevier, B.V., 2012, p. 885, cited also in the previously mentioned [FTC study](#), footnote #9, p3.

from participating states to Hawaii without facing time-consuming, costly and redundant regulatory hurdles.

The state would retain its control over Hawaii licensure requirements, but would simultaneously increase the pool of therapists able to practice in Hawaii and shorten the time it would take for them to begin working here.

At present, the OT Compact includes 23 states.<sup>5</sup> Almost a dozen additional states have introduced legislation to join as well. Years of successful implementation testify to the safety and effectiveness of this approach to license reciprocity.

Joining the OT Compact would be an important step toward attracting more doctors to our state, thereby addressing our physician shortage and improving healthcare access for all.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas  
Director of Strategic Campaigns,  
Grassroot Institute of Hawaii

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<sup>5</sup> ["Compact Map,"](#) OT Compact, accessed Feb. 8, 2023.



# TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII ASSOCIATION FOR JUSTICE (HAJ) WITH COMMENT TO SB 323

Hearing Date: Friday, February 10, 2023

Time: 1:00 p.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) providing COMMENTS to SB323, Relating to the recognition of the Occupational Therapy Licensure Compact (the "Compact").

HAJ understands and appreciates the intent of the measure, however, we **oppose SB 323** as it would provide members, officers, executive director, employees and representatives of the commission **immunity from suit in their personal or official capacity for any claim for damage to or loss of property or personal injury or other civil liability** caused by arising out of any actual or alleged act, error or omission that occurred with the scope of employment. Under the Compact immunity from tort liability or civil liability resulting in death, injury to persons, or property damage except in cases of intentional or willful or wanton misconduct of that person. This language is overly broad and puts Hawaii residents at risk for injuries that could occur.

Specifically, Section (7)(a) on page 33-34 of the bill provides that:

“The members, officers, executive director, employees and representatives of the commission **shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act**, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities;

provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any **damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.**”

Primarily, our concern is that the bill grants overbroad immunity to officers or employees rendering aid pursuant to the Compact for **negligent acts**. The exceptions to immunity only apply to **intentional or willful or wanton misconduct while omitting negligent acts** that could harm our residents. For example, if an officer or employee rendering aid pursuant to the Compact commits negligent acts while rendering aid, they will be immune under this act – leaving no legal recourse for the individual who was harmed. This immunity would even apply if that same officer or employee, while driving, hits a pedestrian through a failure to exercise due care or negligent maintenance of a vehicle

The standard of care that should be applied in any given situation is based on the specific circumstance. Negligent acts cannot and should not be overlooked, without recourse for those harmed, especially for our residents. HAJ opposes this type of immunity for negligent acts or omissions to preserve the rights of our residents and individuals. While we support intergovernmental cooperation for teachers, it is not necessary to exempt our officers of the Compact from negligent conduct.

HAJ respectfully recommends the bill be amended to delete Section (7)(a) on page 33-34. Thank you for allowing us to testify regarding this measure. Please feel free to contact us should you have any questions or desire additional information.

February 9, 2023

To:

Honorable Senator *Joy A. San Buenaventura, Chair, Committee on Health and Human Services*  
Honorable Senator *Henry J. C. Aquino, Vice Chair, Committee on Health and Human Services*

Hearing:

*Date: Friday, February 10, 2023*

*Time: 1:00 PM*

*Room: Conference Room 225, State Capitol*

**RE: *SB323, Relating to Occupational Therapy Licensure Compact***

**POSITION:** Oppose with comments

My name is Virginia Tully. I am a retired occupational therapist and continue to be involved with the Occupational Therapy Association of Hawaii (OTAH). SB323, relating to Occupational Therapy Licensure Compact describes its purpose and the roles of Hawaii's licensing body, Department of Commerce and Consumer Affairs (DCCA) and the Occupational Therapy Compact Commission.

I would like to defer to DCCA for their comments as majority of the processes described in SB323, are processes requiring DCCA's involvement

.  
From previous experience, an individual may apply for a license to practice Occupational Therapy (OT) in the state of Hawaii before arrival in Hawaii. Thus, the individual is licensed to practice upon arrival in Hawaii. With planning, one could possibly be employed soon after arrival.

The compact proposes continuing competency/education requirements. Currently, the National Board for Certification in Occupational Therapy (NBCOT) requires on-going continuing education to re-certify as an Occupational Therapist (OTR) or Certified Occupational Therapy Assistant (COTA). This is also applicable to Hawaii licensees. Thus, OTRs and COTAs follow continuing education requirements set up by NBCOT. SB323 suggests that DCCA also establish continuing education requirements. Hawaii licensees could be required to follow two different continuing education requirements. Increased continuing education requirements may not necessarily lead to better quality of care for the consumer.

Many of the processes described in SB323 are processes that require DCCA's involvement. My support or non-support of SB323 is dependent on DCCA's response. Consumers access to OT services is dependent upon availability of therapists and employer's hiring processes.

Thank you for the opportunity to provide testimony on SB323, relating to Occupational Therapy Licensure Impact. Should there be questions, I am available via email at [ginktully@gmail.com](mailto:ginktully@gmail.com).

Mahalo,  
Virginia Tully

February 9, 2023

To: Honorable Senator Joy San Buenaventura – Chair, Committee on Health & Human Services  
Honorable Senator Henry Aquino – Vice Chair, Committee on Health & Human Services

Hearing: Friday, February 10, 2023 – 1:00pm – conference room 225

RE: SB323 – Relating to Occupational Therapy Licensure Compact

Position: **Neutral with reservations**

As a practicing licensed Certified Occupational Therapy Assistant (COTA/L) here in a large Acute Care Hospital Setting, I work closely with Licensed Occupational Therapy Registered (OTR/L) clinicians and Licensed Certified Occupational Therapy Assistants, that reside here in Hawaii and/or traveling from the continental US.

As a member of the Occupational Therapy Association of Hawaii, (OTAH) I appreciate this opportunity to Submit a testimony on SB323 – Relating to Occupational Therapy Licensure Compact.

I have similar reservations as stated by our board, OTAH, legislative Chair, Ms Avis Sakata, OTR and support to defer further comments to DCCA as this may affect their processes.

Mahalo for this opportunity to submit testimony on behalf of SB323. Kindly contact me if there are any further questions you may have at (808) 351-7281 or [panderson@queens.org](mailto:panderson@queens.org).

Aloha piha,

Pamela K Anderson, COTA/L  
Rehabilitation Therapy,  
Occupational Therapy  
The Queens Medical Center