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In reply, please refer to:
File:

HOUSE COMMITTEE ON HEALTH

S.B. 2611, S.D.2 Relating to Vital Statistics

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**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

March 12, 2010, 9:30 a.m.

Department's Position: The Department of Health respectfully opposes the current draft. However, we are submitting a draft HD1 proposal for the committee's further consideration.

Fiscal Implications: Currently, verification will cost \$5, per record. Given recent figures provided to DOH by all 4 counties, there would be a need for verification of approximately 230,000 real property owners. However, if the proposed HD1 draft is accepted and adopted, the Department of Health's Vital Statistics Office shall upon submission of an electronic list of names from each county at agreed upon intervals provide the counties with an electronic verification of death of any person on the list. The fee for verification of electronic lists for the counties for the purposes of this bill shall be established through a subsequent Memorandum of Agreement with the counties establishing the fee at \$50 per request and shall be deposited to the credit of the vital statistics improvement special fund.

Purpose and Justification: The Department of Health is submitting a proposed HD1 for consideration that lays the groundwork towards a future of fiscal self-sufficiency for the Department of Health's Office of Health Status Monitoring (OHSM), while effectively responding to the needs of the counties, as motivated by the initial introduction of this proposal.

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In its current version, this measure proposes to perpetuate an outmoded and inefficient use of government resources and unnecessarily discloses confidential information on individuals to the counties. The county clerks and county real property assessment divisions maintain lists of eligible voters and real property owners with homeowners' tax exemptions. The county clerks want their lists to be current and contain only individuals who are alive and eligible to vote. The property tax assessors want their lists to be current and contain only real property owners who are still living to claim a homeowners' tax exemption. The Department of Health, with the assistance of the legislature, anticipated the need and developed a process called verification in lieu of certified copies (HRS 338-18(g)) that directly addresses the needs of the county clerks and county real property assessors.

As a result of this statute, the State of Hawaii pioneered a nationally utilized process called Electronic Verification of Vital Events (EVVE). This process is extensively used across the nation by federal agencies such as the Social Security Administration, the State Department's Passport Office, and the Federal Office of Personnel Management and should be adapted for these purposes of this bill as well. The process is very simple, efficient, and accurate:

- 1) The requestor, at agreed upon intervals, submits an electronic list of names of individuals to the Department of Health (DOH) and;
- 2) DOH returns the names of all individuals on the list whom have died.

This process is efficient because it searches for only names that are contained in the agencies' respective lists that have died. The process proposed by DOH is accurate because it is done by the state agency responsible for matching death records and acknowledged for its expertise in this process. The process proposed by the counties in the original S.B.2611 is inefficient and includes death information of individuals not on any of the agencies' lists.

We are submitting alternative language for S.B.2611, S.D.2, Proposed HD1 **LATE** that incorporates the process we have described above. In addition, we have proposed several other amendments that provide the means to support the process. This includes a change in the fee structure for verification that allows flexibility to the DOH to charge a nominal fee for verifications. This flexibility should remove most barriers to the use of the verification process. The DOH long term goal is to make the statewide vital statistics system self-sufficient. We would like the statewide system to operate on the revenue they collect for their services through the vital statistics special improvement fund. The legislature eliminated all general funds from the vital statistics operating budget in FY 2010 and substituted special funds to operate the statewide system. We agree with this initiative to move toward self-sufficiency and use of the special improvement funds to assist with offsetting operating costs of the vital statistics system.

We appreciate your support of these amendments to improve and enhance the services that are vital statistics system provides to county clerks and county real property assessors.

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

S.B. 2611, S.D. 2 – Proposed HD1 Draft:

RELATING TO VITAL STATISTICS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 338-4, Hawaii Revised Statutes, is amended to
2 read as follows:

3 "~~§338-4 Deaths reported to county clerks[-] and real property~~
4 assessment divisions. [~~The department of health shall within six~~
5 ~~weeks after the end of each month deliver, or forward by mail, to the~~
6 ~~county clerk of each county a list of the names of all citizens of~~

1 ~~voting age or over whose deaths have been recorded in the department~~
2 ~~during each month. The list shall set forth such portion of the~~
3 ~~information contained in the death record of each citizen whose death~~
4 ~~is so reported as will be of assistance to the county clerk in~~
5 ~~identification.] (a) The department of health shall, at agreed upon~~
6 intervals, receive from the county clerk of each county an electronic
7 list of the names of all citizens who are registered to vote in the
8 State of Hawaii. The names on the list shall include the citizen's
9 full name, date of birth, last four digits of the citizen's social
10 security number, and the last known address of the citizen, if
11 available. The department of health shall then provide electronic
12 verification of death, including the date of death, to the county
13 clerk of each county, of any of the names on the list that match the
14 death records kept by the department of health.

15 (b) The department of health shall, at agreed upon intervals,
16 receive from the real property assessment divisions of each county an
17 electronic list of the names of all individuals who are real property
18 owners with homeowners' tax exemptions in the State of Hawaii. The
19 names on the list shall include the individual's full name, date of
20 birth, last four digits of the individual's social security number,
21 and the last known address of the individual, if available. The
22 department of health shall then provide electronic verification of
23 death, including the date of death, to the real property assessment
24 divisions of each county, of any of the names on the list that match
25 the death records kept by the department of health.

26 (c) Fees for verification shall be subject to section 338-14.3."

LATE

1 SECTION 2. Section 338-14.3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§338-14.3 Verification in lieu of a certified copy. (a)**
4 Subject to the requirements of section 338-18, the department of
5 health, upon request, shall furnish to any applicant, in lieu of the
6 issuance of a certified copy, a verification of the existence of a
7 certificate and any other information that the applicant provides to
8 be verified relating to the vital event that pertains to the
9 certificate.

10 (b) A verification shall be considered for all purposes
11 certification that the vital event did occur and that the facts of
12 the event are as stated by the applicant.

13 (c) Verification may be made in written, electronic, or other
14 form approved by the director of health.

15 (d) The fee for a verification in lieu of a certified
16 copy shall be a maximum of one half of the fee established in section
17 338-14.5 for the first certified copy of a certificate issued and
18 shall be deposited to the credit of the vital statistics improvement
19 special fund in section 338-14.6.

20 [~~(e) Fees received for verifications in lieu of certified copies~~
21 ~~shall be remitted, and one half of the fee shall be deposited to the~~
22 ~~credit of the vital statistics improvement special fund in section~~
23 ~~338-14.6 and the remainder of the fee shall be deposited to the~~
24 ~~credit of the state general fund.]"~~

25 SECTION 3. Section 338-14.6, Hawaii Revised Statutes, is
26 amended to read as follows:

1 "§338-14.6 Vital statistics improvement special fund. (a)

2 There is established within the state treasury a special fund to be
3 known as the vital statistics improvement special fund. The fund
4 shall be administered and expended by the department of health.

5 (b) Moneys in the fund shall be used by the department of
6 health for the modernization and automation of the vital statistics
7 system in this State. [~~These proceeds shall not be used to supplant~~
8 ~~any other moneys previously allocated to this program necessary for~~
9 ~~the daily operation of the system of vital statistics.~~] These
10 proceeds may be used to assist in offsetting costs for the daily
11 operations of the system of vital statistics.

12 (c) The fund shall consist of fees remitted pursuant to
13 [~~section~~] sections 338-4, 338-14.3, and 338-14.5. All realizations
14 of the fund shall be subject to the conditions specified in
15 subsection (b)."

16 SECTION 5. Statutory material to be repealed is bracketed and
17 stricken. New statutory material is underscored.

18 SECTION 6. This Act shall take effect on July 1, 2010.

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Bernard P. Carvalho, Jr.
Mayor



Wallace Rezendes, Jr.
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DEPARTMENT OF FINANCE

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March 10, 2010

Honorable Representative Ryan I. Yamane
Chair, House Committee on Health
Hawai'i State Capitol, Room 329
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Yamane and Members:

RE: SB2611, SD2 Relating to Vital Statistics

The County of Kaua'i strongly opposes **SB2611, SD2** which would require the county clerk and the real property division of each county, at agreed upon intervals, to provide a list of names of all registered voters and individuals receiving real property tax exemptions to the department of health. Upon receipt, requires the department of health to verify the date of death for any person on the list and authorizes the department of health to charge fees.

However, the County of Kaua'i strongly supports **SB2611, SD1** and its companion bill **HB2170, HD1 Relating to Vital Statistics**.

Currently, the County of Kaua'i has a legal interest in the names of all person(s) deceased who own real property within the county not only for tax exemption purposes but for the accuracy of all ownership records. Therefore, according to this new proposal the county would at agreed upon intervals provide the Department of Health a list of 35,000 owner names to verify possibly 25 - 50 deaths monthly.

Previously, the Department of Health has provided testimony claiming that the counties proposal causes the state to "unnecessarily disclose confidential information on individuals to the counties" and the counties proposal for data verification is inefficient. How can this be true when the counties are only seeking information regarding deceased individuals? Conversely, under the current amended proposal it would be the state receiving the "unnecessary disclosure of confidential information" and inefficient in its verification process when the county has to send a list of 35,000 real property owners to verify only a few deaths.

In 2005, this body of lawmakers saw fit to adopt legislation where the state and the counties agreed to share confidential information without cost, see HRS Sec. 231-18. The sharing of information between government agencies is critically important to their daily operations so each agency can better serve the public. It is self evident that the department of health's "move toward

financial self sufficiency” will bear a financial cost to our taxpayer’s and/or the **loss of cooperation between government agencies without a fee.**

In conclusion, I want to humbly thank you for the opportunity to testify on this matter.

Respectfully Submitted,
John W. Herring
Real Property Administrator
County of Kauai

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