

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
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February 5, 2018

TO: The Honorable Representative John M. Mizuno, Chair  
House Committee on Health and Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 1647 HD 1 – RELATING TO HEALTH**

Hearing: Wednesday, February 7, 2018, 10:30 a.m.  
Conference Room 329, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of the measure and offers comments.

**PURPOSE:** The purpose of the bill requires DHS to compile information regarding employers with employees who receive public assistance. Requires DHS to submit an annual report to legislature on the 50 employers with the highest number of employees receiving public assistance. Requires DLIR to share employment data.

DHS agrees that understanding and containing the state's health care costs are issues that the Legislature and the public would benefit from a deeper understanding, in addition to appreciating the complexities of underemployment, poverty wages, and economic impacts on society, business, and the state budget.

This session DHS has two legislative proposals that address similar concerns: HB2361 Relating to Health Analytics that establishes the Health Analytics Program in the Med-QUEST Division of the DHS and authorizes DHS to maintain an all-payers medical claims data base, and HB2366 Relating to Poverty that requires DHS to use an integrated and multigenerational approach to delivering human services to reduce the incidence of intergenerational poverty and dependence on public benefits.

It is correct that many of our adult recipients of public benefits are employed. Most program rules require adults who do not have a disability to be employed or in an activity that will lead to employment, or if minors, to be in school or be employed.

However, please note:

- Employer information is not required for program eligibility and is not currently captured by our IT systems on a consistent basis. Additionally, for some programs, such as Medicaid, we cannot require applicants to provide information that is not required for program eligibility;
- Consequently, while we do receive income verification information from various sources, we are not currently able to retrieve employer information consistently to compile such a report;
- With regard to minor children who are employed, and who are also receiving medical insurance coverage through Medicaid/CHIP, the children may be in families with household incomes up to 308 percent of the federal poverty level, which is \$72,324 for a family of four; and
- As a condition of receiving medical insurance coverage, Medicaid is always the payer of last resort; that is if there are primary medical insurance coverages available to the recipient through employment for example, the primary insurance coverage pays first before Medicaid pays.

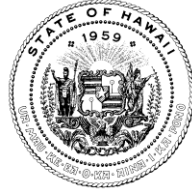
From a different policy perspective that supports employment, DHS has established programs with employers to hire public benefit recipients, many of whom are just entering the work force and benefit from the employment experience toward income progression. Limited employer information is collected from employers who hire First-To-Work (FTW) Program participants for positions subsidized with Temporary Assistance for Needy Families (TANF) funds; however, the limited data does not include other employees hired for unsubsidized positions, information that would be required to compare hiring or other business practices.

Further, we have concerns that this proposal may negatively impact programs that support employment opportunities for recipients as employers may be discouraged from hiring recipients to fill vacancies and discontinue their partnership with DHS.

DHS further defers to the Department of Labor and Industrial Relations that administers the Hawaii Prepaid Care Law as well as the data sharing information. Also, please consider that through provisions of the Hawaii Prepaid Care Law, employers in the state are shoulder a significant cost of health insurance in Hawaii.

Lastly, the title of the measure may be overbroad and unconstitutional pursuant to article III, section 14 of the State Constitution as there are multiple subjects in the bill, and the current bill language pertains to chapter 346, Hawaii Revised Statutes, which relate to DHS rather than the Department of Health as the title suggests.

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



**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 6, 2018

To: The Honorable John M. Mizuno, Chair,  
The Honorable Bertran Kobayashi, Vice Chair, and  
Members of the House Committee on Health and Human Services

Date: Wednesday, February 7, 2018

Time: 10:30 a.m.

Place: Conference Room 329, State Capitol

From: Leonard Hoshijo, Acting Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. No. 1647 HD1 Relating to Health**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This proposal seeks to add a new section to chapter 346, Hawaii Revised Statutes (HRS), requiring the Department of Human Services (DHS) to compile information regarding employers with employees who receive public assistance. It requires the Department of Labor and Industrial Relations to assist the DHS in the form of sharing employment data to achieve this purpose.

DLIR supports the intent, but defers to DHS on its responsibilities in the measure and offers comments.

**II. CURRENT LAW**

The current law does not require DHS access to UI data as proposed in this measure.

**III. COMMENTS ON THE HOUSE BILL**

DLIR supports the intent of this bill and is willing to work with DHS to determine how the legislative purpose can be achieved within the statutory disclosure provisions contained in Chapter 383, HRS and within cost or resource restrictions.

The U.S. Department of Labor (USDOL) has long interpreted methods of administration to require the confidentiality of UI information and to follow the congressional mandate that UI information be used only for the purpose for which it is directed. According to HRS §383-95 and HAR §12-5-211 to §12-5-220, disclosure of information from workers, employers, or other persons or groups in the course of administering the state employment security program shall be held confidential and shall not be disclosed unless authorized requesting agencies have entered into a written agreement with the department.

Should this proposal be enacted, an information sharing agreement with DHS would be required to satisfy its limited purposes. As a condition for the data exchange, DHS would have to provide relevant recipients' personal identifying information to crossmatch against the DLIR-UI employer and wage records. While all expenses associated with providing the data must be reimbursed by the requesting agency in accordance to federal requirements, the actual costs of furnishing the information are dependent upon the terms of the final agreement executed between DHS and DLIR-UI.