

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 25, 2023

TO: The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance

FROM: Cathy Betts, Director

SUBJECT: [HB 978 HD1](#) – RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES.

Hearing: February 27, 2023, 10:00 a.m.
Conference Room 308 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this administration measure, provides a comment, and defers to the State Procurement Office and other departments.

PURPOSE: The bill authorizes heads of purchasing agencies to issue requests for statements of qualification and to establish lists of qualified providers for treatment purchase of services. Increases the small purchase threshold for health and human services. Effective 6/30/3000. (HD1)

The HD1 amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion;
and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

Section 3 of the proposed measure seeks to increase the small purchase of health and human services threshold from \$25,000 to \$100,000. The proposal will allow DHS to expedite

and reduce administrative costs of its purchases of health and human service expenditures of \$25,000 to \$100,000 based on bid quotation submissions from vendors. In addition, the proposed process will be faster and allows the purchasing program to attend to its work. This measure will replace the competitive request process that may take several months and includes the ability to protest the award, which adds additional time to procure and attend to needed work and services.

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

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON FINANCE

FEBRUARY 27, 2023, 10:00 AM
CONFERENCE ROOM 308 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 978 HD1

RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES.

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee, thank you for the opportunity to testify on H.B. 978 HD1.

The Department of Accounting and General Services (DAGS) **supports** this bill to authorize heads of purchasing agencies to issue requests for statements of qualification and to establish a list of qualified providers for treatment purchase of services and increases the small purchase threshold for health and human services.

The passage of this Governor's administrative package bill would allow for efficient procurement of expedited services to address unanticipated health related treatment services to assist the public.

Thank you for the opportunity to submit testimony on this matter.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ACTING ADMINISTRATOR

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state_procurement_office@hawaii.gov
<http://spo.hawaii.gov>

TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE
February 27, 2023, 10:00 AM

HOUSE BILL 978 HD1
RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES

Chair Yamashita, Vice Chair Kitagawa, and members of the committee, thank you for the opportunity to submit testimony on House Bill 978 HD1. The State Procurement Office (SPO) **strongly supports** this bill, which increases efficiency of short-term treatment purchase of service and increases the small purchases threshold for health and human services to align with of 103D-305, Hawaii Revised Statutes.

If this bill is passed, agencies would have the ability to establish and use their own lists of qualified providers as needed, specifically for the provision of health and human services. Also, this bill will expedite services for specific needs for the public. Purchasing agencies will have an expedited way to competitively procure health and human services of less than \$100,000, with reduced administrative costs and burden to the State and provider community. This would free up scarce contracting workforce resources to execute complex high-dollar value procurements.

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