
A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1 SECTION 1. Recently, the state department of human
2 services procured for the administering of a new managed care
3 program, QUEST Expanded Access, for the aged, blind and disabled
4 population. The bids were awarded to only two for-profit
5 insurance companies to provide medicaid coverage for Hawaii
6 37,000 aged, blind and disabled residents. Several states have
7 found a number of serious violations of law and medicaid fraud
8 in administering similar medicaid programs through for-profit
9 insurance companies. As a result, laws and legislation across
10 the nation have surfaced that permit only nonprofit and
11 government-related entities to bid on medicaid contracts.

12 The purpose of this Act is to require all future medicaid
13 procurement contracts to be awarded only to qualified nonprofit
14 entities.

15 SECTION 2. Chapter 103F, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:



1 "§103F- Procurement of medicaid contracts; nonprofits.

2 For the procurement of all medicaid contracts in the State, the
3 department of human services shall solicit proposals only from
4 nonprofit insurance entities and award contracts only to
5 nonprofit insurance entities."

6 SECTION 3. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun, before its effective date.

9 SECTION 4. New statutory material is underscored.

10 SECTION 5. This Act shall take effect upon its approval.

11

INTRODUCED BY:

Handwritten signatures of John M. Nigro and Tom R. Ryan. The signature of John M. Nigro is written above the signature of Tom R. Ryan. Both signatures are written in black ink and are positioned to the right of the text "INTRODUCED BY:". The signature of Tom R. Ryan is underlined.

JAN 28 2009



Report Title:

Medicaid; Procurement; Health and Human Services

Description:

Requires the department of human services to award medicaid contracts to nonprofit insurance entities only.

