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## HOUSE CONCURRENT RESOLUTION

REQUESTING A COMPREHENSIVE MANAGEMENT AND FINANCIAL AUDIT OF  
FOR-PROFIT ENTITIES CONTRACTED AS MANAGED CARE PROVIDERS  
FOR THE DEPARTMENT OF HUMAN SERVICES'S QUEST EXPANDED  
ACCESS PROGRAM.

1           WHEREAS, in 1965, the United States Congress established  
2 Medicaid as a jointly funded state and federal program that  
3 provides medical assistance to low-income individuals who  
4 qualify under Title XIX of the Social Security Act; and  
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6           WHEREAS, within a general statutory framework, each state  
7 creates and administers its own Medicaid program; and  
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9           WHEREAS, in the State of Hawaii, the Med-QUEST Division of  
10 the Department of Human Services (DHS) administers the Medicaid  
11 Program; and  
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13           WHEREAS, the Med-QUEST Division oversees a number of  
14 programs that provide coverage for certain medical, mental  
15 health, and dental services for qualified children and adults,  
16 including Medicaid Fee-For-Service, Hawaii QUEST, and QUEST  
17 Expanded Access; and  
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19           WHEREAS, the various Med-QUEST programs are financed  
20 through the State and the Federal Centers for Medicare and  
21 Medicaid Services; and  
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23           WHEREAS, DHS developed the QUEST Expanded Access Program to  
24 administer Medicaid benefits for Hawaii's 37,000 aged, blind,  
25 and disabled residents; and  
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27           WHEREAS, DHS administers the Medicaid health care coverage  
28 program, including QUEST Expanded Access, through several  
29 contracts with managed care providers; and



1 WHEREAS, two of these contracts were awarded to for-profit  
2 insurance companies; and

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4 WHEREAS, several states have found a number of serious law  
5 violations and instances of Medicaid fraud while administering  
6 similar Medicaid programs through for-profit insurance  
7 companies; and

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9 WHEREAS, Medicaid fraud squanders limited funds, threatens  
10 safety, and cheats taxpayers, thereby inhibiting government  
11 efforts to obtain necessary health care and services for  
12 Hawaii's vulnerable populations; and

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14 WHEREAS, it is particularly imperative to ensure proper  
15 management and fiscal responsibility with respect to State-run  
16 programs during periods of economic difficulty; now, therefore,

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18 BE IT RESOLVED by the House of Representatives of the  
19 Twenty-fifth Legislature of the State of Hawaii, Regular Session  
20 of 2010, the Senate concurring, that the Auditor is requested to  
21 perform a comprehensive management and financial audit of the  
22 for-profit entities contracted by DHS to administer the QUEST  
23 Expanded Access Program; and

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25 BE IT FURTHER RESOLVED that the audit should cover the life  
26 of each contract; and

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28 BE IT FURTHER RESOLVED that DHS is requested to cooperate  
29 with and assist the Auditor in the performance of this audit;  
30 and

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32 BE IT FURTHER RESOLVED that the Auditor report all findings  
33 and recommendations to the Legislature no later than twenty days  
34 prior to the convening of the Regular Session of 2011; and

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36 BE IT FURTHER RESOLVED that certified copies of this  
37 Concurrent Resolution be transmitted to the Governor, Auditor,  
38 Director of Human Services, and Administrator of the Med-QUEST  
39 Division.

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OFFERED BY: John M. Pardo

