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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HUMAN SERVICES.

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

PART I

SECTION 1. Chapter 103F, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

**"§103F- Medicaid contracts; health care insurance plan contractors; reimbursements to home and community-based case management agencies.** (a) In any contract entered into with a Medicaid healthcare insurance plan contractor that provides reimbursement to home and community-based case management agencies, the department of human services shall include contract provisions that specify the duties and obligations of the Medicaid health care insurance plan contractor to the home and community-based case management agency, as follows:

- (1) When renewing a policy with a home and community-based case management agency, the Medicaid healthcare insurance plan contractor shall not reduce reimbursement rates to the home and community-based case management agency in excess of ten per cent of



1 the reimbursement rates in effect under the expiring  
2 policy with the home and community-based case  
3 management agency;

4 (2) Paragraph (1) shall not apply if the reduction in  
5 reimbursement rates is necessary to ensure the:

6 (A) Clients' access to, or choice of, a home and  
7 community-based case management agency; or

8 (B) Prevention of a substantial and foreseeable risk  
9 of harm to clients;

10 and

11 (3) The Medicaid healthcare insurance plan contractor  
12 shall not enter into, or renew, any policy with a home  
13 and community-based case management agency unless the  
14 policy contains maximum reimbursement levels for chore  
15 services and non-emergency medical transportation.

16 (b) As used in this section, the terms "client" and "home  
17 and community-based case management agency" shall have the same  
18 meanings ascribed to them under section 346-331."

19 PART II

20 SECTION 2. Chapter 346, Hawaii Revised Statutes, is  
21 amended by adding a new section to be appropriately designated  
22 and to read as follows:



1        "§346- Intake and eligibility services. All intake and  
2 eligibility services provided to recipients of welfare and  
3 public assistance under the department of human services shall  
4 be performed directly by employees of the department of human  
5 services."

6        SECTION 3. (a) Prior to any reorganization of the  
7 department of human services benefits, employment and support  
8 services division, social services division, and med-QUEST  
9 division, that includes intake, maintenance, and eligibility  
10 services for public assistance, the supplemental nutritional  
11 assistance program, foster care services, and Medicaid services,  
12 a task force shall be convened to determine the feasibility of  
13 transferring services to the proposed eligibility processing  
14 operations division.

15        (b) The task force shall include:

- 16        (1) The director of human services or the director's  
17        designee;
- 18        (2) At least one eligibility worker from each island where  
19        eligibility workers are employed;
- 20        (3) A representative from the investigations office of the  
21        department of human services; and



1 (4) At least five representatives from organizations that  
2 work with department of human services eligibility  
3 offices providing direct services to recipients, of  
4 which one shall be from Maui, one shall be from Kauai,  
5 and one shall be from the Island of Hawaii.

6 (c) The department of human services shall submit a  
7 request for review to the United States Department of  
8 Agriculture regarding the proposed reorganization plan that  
9 transfers services to an eligibility processing operations  
10 division to address possible concerns and determine potential  
11 violations of federal regulations or policy.

12 (d) The task force shall submit a report of its findings  
13 to the legislature no later than twenty days prior to the  
14 convening of the regular session of 2011.

15 PART III

16 SECTION 4. This Act does not affect rights and duties that  
17 matured, penalties that were incurred, and proceedings that were  
18 begun before its effective date.

19 SECTION 5. New statutory material is underscored.

20 SECTION 6. This Act shall take effect on January 1, 2050.



**Report Title:**

Department of Human Services; Medicaid Contracts

**Description:**

Requires Medicaid contracts between the department of human services and Medicaid healthcare insurance plan contractors to contain provisions affecting the reimbursement obligations in the policies between the Medicaid healthcare insurance plan contractors and the home and community-based case management agencies. Convenes a task force to determine the feasibility of the Department of Human Services proposed reorganization. Effective January 1, 2050. (SB2650 HD1)

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