

Honolulu, Hawaii
Apr: 127, 2010

RE: H.R. No. 240
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred H.R. No. 240 entitled:

"HOUSE RESOLUTION REQUESTS THE OFFICE OF THE AUDITOR TO REVIEW AND COMPARE THE HEALTH CARE BENEFITS AVAILABLE UNDER THE MEDICAID PROGRAM, THE PREPAID HEALTH CARE ACT, AND THE HEALTH CARE PROGRAMS OF THE EMPLOYER-UNION TRUST FUND,"

beg leave to report as follows:

The purpose of this resolution as received by your Committees is to request the Office of the Auditor to review and compare the health care benefits available under the Medicaid program, the Prepaid Health Care Act, and the Health Care Programs of the Employer-Union Trust Fund.

For purposes of a public hearing, Your Committees circulated a proposed HD1 that establishes an investigative committee to investigate the proposed reorganization plan and purchase of service contracts of the Department of Human Services (DHS). The investigative committee shall include:

- (1) The Chair of the House Human Services Committee; and
- (2) The Vice-Chair of the House Human Services Committee; and
- (3) Three members of the House of Representatives appointed by the Speaker of the House.



The investigative committee's purpose and duties, as well as the subject matter and scope of its investigatory authority shall be to:

- (1) Provide for an audit of the money allocated for contracts by DHS, the services contracted, and the number of residents such contracts were to cover; and
- (2) Provide for an audit of the money allocated specifically for the proposed reorganization plan; and
- (3) Determine whether any state or federal law was violated or required relating to the proposed reorganization plan; and
- (4) Determine whether there was any retaliation or reprimand toward any employee or contracted agency by DHS administrators.

The investigative committee shall conduct a thorough evaluation of the proposed reorganization, as well. The investigative committee shall have every power and function allowed to an investigating committee by law, including, without limitation, the power to:

- (1) Adopt rules for the conduct of its proceedings; and
- (2) Issue subpoenas requiring the attendance and testimony of witnesses and subpoenas duces tecum requiring the production of books, documents, records, papers, or other evidence in any matter pending before the committee; and
- (3) Hold hearings appropriate for the performance of its duties at such times and places as the committee determines; and
- (4) Administer oaths and affirmations to witnesses at hearings of the committee; and
- (5) Report or certify instances of contempt;

Provided that the committee is requested to voluntarily limit, to the extent possible, the use of its subpoena power to produce witnesses, documents, and other evidence, and voluntarily limit the scope of its investigation, to the extent possible, to a



review of appropriate publicly-available information on the subject matters within the committee's purview. The committee shall submit a report of its findings and recommendations to the House of Representatives no later than 20 days prior to the convening of the Regular Session of 2011.

The Hawaii Government Employees Association submitted testimony in support of this measure.

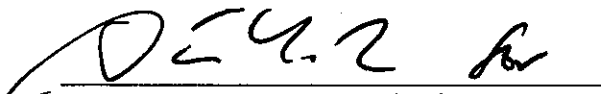
The Department of Human Services (DHS) uses purchase of service contracts to hire private contractors and vendors for intake and eligibility determination functions to provide additional support to DHS employees. However, there has been some dispute as to the effectiveness and efficiency of using purchase of service contracts.

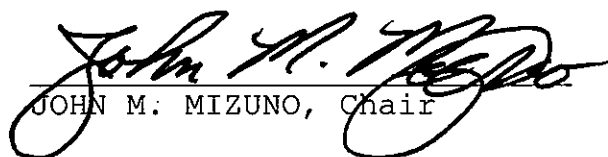
In addition, DHS has proposed a reorganization plan that would create a new Eligibility Processing Operations Division (EPOD), in an effort to save money and streamline operations. Your Committees, though, have received many disturbing claims from both recipients and workers about the way the proposed plan has been handled by DHS.

For these reasons, your Committees have amended this resolution by adopting the proposed HD1.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 240, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 240, H.D. 1.


Respectfully submitted on
behalf of the members of the
Committees on Human Services
and Health,


RYAN I. YAMANE, Chair


JOHN M. MIZUNO, Chair



Record of Votes of the Committee on Health

Bill/Resolution No.: HR 240	Committee Referral: HUS/HLT, LMG, FIN	Date: 4/23/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) ^{SYN} <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)				/
2. NISHIMOTO, Scott Y. (VC)	/			
3. BELATTI, Della Au	/			
4. BERTRAM, Joe, III				/
5. BROWER, Tom	/			
6. CARROLL, Mele				/
7. MIZUNO, John M.	/			
8. SHIMABUKURO, Maile S.L.	/			
9. FINNEGAN, Lynn				/
TOTAL (9)	5			4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				