

Honolulu, Hawaii

APR 12 2010 , 2010

RE: S.B. No. 2650  
S.D. 2  
H.D. 2  
C.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2650, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HUMAN SERVICES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Clarify that 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 specified contract provisions that specify the duties and obligations of the Medicaid healthcare insurance plan contractor to the home and community-based case management agency; and



- (2) Require that all intake and eligibility services provided to recipients of public assistance under the Department of Human Services be performed directly by employees of the Department of Human Services.

Your Committee on Conference has deleted the contents of this measure and substituted provisions to:

- (1) Authorize the Governor, through the Department of Human Services, to develop and implement pursuant to administrative rules, an eligibility-processing operations division pilot project for the Department of Human Services' benefit, Employment and Support Services division; Social Services division; and Med-QUEST division that includes the intake, maintenance, and eligibility determination functions for public assistance, the supplemental nutrition assistance program, foster care services, and Medicaid services for benefit recipients in any county with a population of five hundred thousand or more; and
- (2) Prohibit the Department of Human Services from implementing any reorganization plan, proposed prior to the effective date of this measure, to transfer intake, maintenance, and eligibility determination functions for public assistance, the supplemental nutrition assistance program, foster care services, and Medicaid services to an eligibility-processing operations division.

The intent of this amended measure is to address the plan of the Department of Human Services to lay off nearly half of its 517 workers who process applications for government benefits and will shut down 31 eligibility offices statewide under a cost-cutting plan set to go into effect June 30. (*The Honolulu Advertiser*, March 30, 2010)

Your Committee on Conference finds that the planned new processing system would erect more barriers for low-income people seeking aid. Decreasing the number of workers available for face-to-face consultations will be devastating to the elderly and those with limited English skills. Furthermore, your Committee believes that a decrease in face-to-face interviews upon application for aid will increase the potential for fraud and abuse in the benefits system.



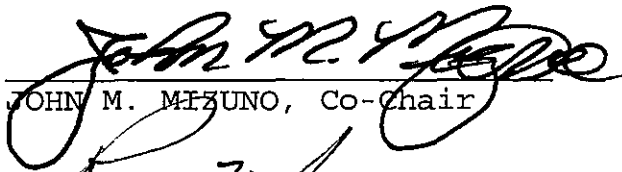
Your Committee on Conference has amended this measure accordingly to provide for a rational and systematic plan to establish a pilot program to process applications for several divisions of the Department of Human Services.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2650, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2650, S.D. 2, H.D. 2, C.D. 1.

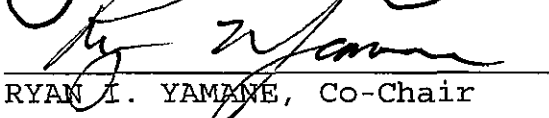
Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



JOHN M. MEZUNO, Co-Chair



RYAN I. YAMANE, Co-Chair



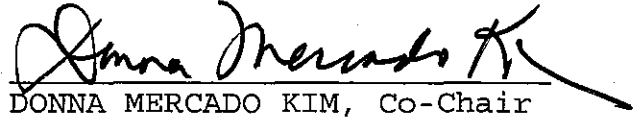
TOM BROWER, Co-Chair



SUZANNE CHUN OAKLAND, Chair



ROSALYN H. BAKER, Co-Chair



DONNA MERCADO KIM, Co-Chair



