

JAN 21 2011

A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1 SECTION 1. In our democratic form of government, the
2 legislature is responsible for setting public policy, and the
3 executive branch is responsible for carrying out these policies.
4 Part of the legislature's policymaking role involves holding
5 hearings on bills as a means of receiving input from the public
6 and creating a forum for discussion. The opportunity for the
7 public to have a voice in the creation of public policy is a
8 fundamental principle of democracy.

9 The department of human services operates the State's
10 medicaid program, expending more than a billion dollars annually
11 for a state program that is second in size only to public
12 education. However, due to the vagaries of history, the
13 legislature has very little oversight of the medicaid program.

14 As a result, the department of human services, in effect,
15 sets medicaid policy. Significant changes have been made to
16 Hawaii's medicaid program without any role played by the
17 legislature or the public.



1 The purpose of this Act is to bring more transparency into
2 the operations of Hawaii's medicaid program and to make explicit
3 the legislature's role in setting medicaid policy.

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

7 "§346- Medicaid program. (a) The department shall
8 notify the standing committees of the state senate and state
9 house of representatives with primary responsibility for
10 medicaid issues about any intended change to Hawaii's medicaid
11 program. The notification shall be made in advance of the
12 intended change and no later than sixty days prior to its
13 implementation. The notification shall include the full text of
14 the intended change. For any proposed state plan amendment
15 submitted to the Centers for Medicare and Medicaid Services, the
16 notification shall be made prior to its submission.

17 (b) The state senate or state house of representatives may
18 hold a hearing on any intended change to the medicaid program or
19 any proposed state plan amendment.

20 (c) The legislature may by statute prohibit the department
21 from making any intended change to the medicaid program or
22 require the department to withdraw any proposed state plan



1 amendment that has been submitted to the Centers for Medicare
 2 and Medicaid Services. In addition, the legislature may by
 3 statute require the department to submit a state plan amendment
 4 to the Centers for Medicare and Medicaid Services or to make any
 5 other change to Hawaii's medicaid program."

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

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Report Title:

Medicaid; Changes; Notification of Legislature

Description:

Requires the department of health to notify the applicable legislative standing committees of intended changes to the state medicaid program or proposed state plan amendments submitted to the Centers for Medicare and Medicaid Services. Authorizes the legislature to enact a statute to prohibit the intended change to the program, to require the department to submit or withdraw a state plan amendment to the Centers for Medicare and Medicaid Services, or to make other changes to the program.

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