



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:
S.B. NO. 2166, S.D. 1, RELATING TO MEDICAID.

BEFORE THE:
SENATE COMMITTEE ON WAYS AND MEANS

DATE: Tuesday, February 28, 2012 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 211

WRITTEN COMMENTS ONLY. For more information contact
Lili A. Young, Deputy Attorney General, at 587-3050.

Chair Ige and Members of the Committee:

The Department of the Attorney General has the following comments.

This bill, as stated in section 1 on page 2, seeks to “create the health insurance waste, fraud, and abuse task force within the department of human services to detect fraud and abuse before payments of illegitimate claims are made under the medicaid managed care, medicaid, and children’s health insurance programs.” To avoid any question as to whether the programs are related to the subject “Medicaid,” we suggest that the purpose be slightly reworded to say, “under the medicaid programs, including the medicaid managed care and children’s health insurance programs.”

Section 2(b) on page 2, lines 17-20, provides that: “Meeting notices shall be posted by the task force as required by chapter 92, Hawaii Revised Statutes, and public testimony at meetings shall be accepted by the task force.” This task force would be subject to part I of chapter 92, Hawaii Revised Statutes (HRS), Hawaii’s Sunshine Law, because it falls within the definition of the term “board” in section 92-2. As the bill is currently worded, however, the application of the Sunshine Law to this task force is limited to posting meeting notices and accepting testimony. If the intent is to have part I of chapter 92 apply in its entirety, then that sentence should be deleted. If the intent is to have the Sunshine Law apply only to posting meeting notices and accepting testimony, the same sentence should be revised to indicate that no other provision of part I, chapter 92 applies.

Section 2(d) on page 3, lines 4-16, sets forth the composition of the task force, of which there are six members (two members each) from consumer advocate groups, hospitals, and

health plans. The bill is silent on who appoints the six members, but section 26-34, HRS, requires that the Governor appoint these six members and that the appointments be confirmed by the Senate. If it is the intent to have this task force exempted from section 26-34, HRS, then the bill should be amended expressly to provide both: (1) that section 26-34, HRS, does not apply to the task force members; and (2) specify who selects these six members.

Further, section 2(d) on page 3, lines 17-20, provides: “The members of the task force shall serve without compensation, and all necessary expenses, including travel expenses, shall be paid by the agency, organization, or department to which the member belongs.” The mandate for the member’s organization to assume responsibility for any expenses incurred may be an obstacle to achieving the bill’s goal relating to the task force’s composition if these entities do not participate.

We respectfully ask that, if the Committee passes this bill, amendments be made to address these concerns.



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
<http://hawaii.gov/spo>

**COMMENTS
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS**

February 28, 2012

9:00 a.m.

SB 2116, SD1

RELATING TO CHARTER SCHOOLS.

Chair Ige, Vice-Chair Kidani, and committee members, thank you for the opportunity to submit comments on SB 2116, SD1. This bill allows an exemption from HRS chapter 103D, Hawaii Public Procurement Code, for contracting of the implementation and transition coordinator.

The State Procurement Office (SPO) is opposed to this exemption. The bill identifies the scope of work, preferred experience and abilities of the implementation and transition coordinator which the department can incorporate into a request for proposals, pursuant to HRS section 103D-303, competitive sealed proposals (CSP).

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with HRS chapter 103D conveys a sense of disproportionate equality in the law's application.

The language on page 6, lines 6 to 8, paragraph (e) of this bill should be deleted. Thank you.