



**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.

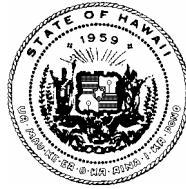
Section 2(d) on page 3, lines 4-16, sets forth the composition of the task force, of which there are six members (two members each) from consumer advocate groups, hospitals, and

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.

NEIL ABERCROMBIE
GOVERNOR



PATRICIA MCMANAMAN
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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
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February 28, 2012

TO: The David Y. Ige, Chair
Senate Committee on Ways & Means

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2166, S.D.1 - RELATING TO MEDICAID**

Hearing: Tuesday, February 28, 2012; 9:00 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of the bill is create the health insurance waste, fraud, and abuse task force and submit a report of its findings and recommendations prior to the convening of the next regular legislative session..

DEPARTMENT'S POSITION: The Department of Human Services (DHS) respectfully opposes this bill as it would require current DHS staff to provide administrative support for the task force and require the agency, organization or department to which a member belongs to, to cover all their expenses, including travel.

The Department is currently tasked with preparing for the implementation of major program and system changes to meet federal requirements for the Affordable Care Act. Due to a reduction in force in 2010-2011, the Med-QUEST Division does not have available staff to dedicate to the task force. Currently staff are already being asked to do the work of staff who were eliminated in addition to their own workload.

The contracted health plans currently have systems and procedures in place to detect fraud and abuse. In addition, DHS also has systems in place to detect fraud and abuse, and is further monitored by the federal government to ensure the State has these kinds of systems in place. We believe that this task force is not needed at this time and do not have staff that can properly support the task force.

Thank you for the opportunity to provide testimony on this bill.