

NEIL ABERCROMBIE  
GOVERNOR



PATRICIA MCMANAMAN  
DIRECTOR

BARBARA a. YAMASHITA  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 12, 2012

TO: The Honorable John M. Mizuno, Chair  
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2713, S.D.1 - RELATING TO MEDICAID**

Hearing: Monday, March 12, 2012; 8:30 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of the bill is to amend sections 346-29.5(b) and 346-37(g), Hawaii Revised Statutes, to state that the Department of Human Services shall submit a written notice of lien and an itemized list of payments so as to provide sufficient information regarding its payments to the person being sentenced and to consider the entire amount valid in determining the amount of restitution unless contested or unless a specific line item charge or charges in the lien are contested on a good faith basis.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this Administration bill. The lien amounts stated in the DHS' Notices of Lien have been challenged on numerous occasions in cases where the department is seeking restitution. This bill would reduce the need for a court hearing to prove the amount of the lien. These amendments will assist the Department of Human Services in its collections of reimbursements for its Medicaid liens.

The DHS defers to the Department of the Attorney General on the technical aspects of this bill.

Thank you for the opportunity to testify on this bill.



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

---

**ON THE FOLLOWING MEASURE:**  
S.B. NO. 2713, S.D. 1, RELATING TO MEDICAID.

**BEFORE THE:**  
HOUSE COMMITTEE ON HUMAN SERVICES

**DATE:** Monday, March 12, 2012                      **TIME:** 8:30 a.m.  
**LOCATION:** State Capitol, Room 329  
**TESTIFIER(S):** David M. Louie, Attorney General, or  
Elton Au, or Michael Vincent, Deputy Attorneys General

---

Chair Mizuno and Members of the Committee:

The Department of the Attorney General strongly supports this measure.

The purpose of this bill is to clarify that the lien amount, stated in notices of lien produced by the Department of Human Services for reimbursement of Medicaid benefits paid for a recipient, shall be presumed to be valid.

The entire amount stated in the Department of Human Services' notice of lien has increasingly been challenged in cases where the Department of Human Services is seeking restitution for medical payments for a Medicaid recipient who was injured by a criminal defendant. Whenever there is a question about a particular charge on the lien, the Department will research all the questioned charges and verify each charge's validity. The verification is done by contacting the provider of the medical service and confirming that its charges are related to the injury paid for by Medicaid.

It has now become common practice, however, for defense attorneys in restitution cases to question the entire amount, only to withdraw their objection and accept the charges after the Department has proven them. This verification is expensive and time consuming. This bill

creates a presumption that for restitution cases, the entire lien amount is valid unless a challenge is presented to specific charges of the lien amount.

We respectfully request passage of this bill.

Testimony for HUS 3/12/2012 8:30:00 AM SB2713

Conference room: 329

Testifier position:

Testifier will be present: Yes

Submitted by: Lilia P. Fajotina

Organization: Alliance of Residential Care Administrators

E-mail: [fajotinacare@aol.com](mailto:fajotinacare@aol.com)

Submitted on: 3/11/2012

Comments:

I WANNA AMEND SB 2713.