



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809

February 12, 2014

TO: The Honorable Della Au Belatti, Chair
House Committee on Health

FROM: Barbara Yamashita, Acting Director

SUBJECT: **H.B. 2262 - RELATING TO REPORTING DEATHS TO STATE AGENCIES**

Hearing: Wednesday, February 12, 2014; 8:30 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to authorize the Department of Health (DOH) to disclose lists of names of persons whose deaths have been recorded by DOH, to state agencies that maintain official lists of persons and are prohibited by federal law from sharing information from the lists.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill that will allow the Department of Health (DOH) to share information on dates of death with other state agencies.

This bill would allow the DHS to receive the date of death information necessary to stop capitation payments to the Medicaid health plans for deceased persons by clarifying that the DHS can receive from the DOH, the date of a vital event, not just verification of it. The DHS provides medical coverage to individuals through managed care health plans that are paid on a capitated basis. These

payments continue until the DHS is notified that a recipient is no longer eligible or has died. Without a date of death, the DHS cannot recover payments made following the date of death and can only stop payments prospectively.

The DHS respectfully requests consideration of an amendment to this bill that would authorize the establishment of an electronic interface with automated verification of vital statistics events and dates of events. Medicaid federal funds can be used for the interface with the DOH's vital statistics if developed by the end of calendar year 2015.

The DHS would like to be able to leverage its investment in its state-of-the-art Medicaid eligibility system and a state data services hub. Including the following amending language would allow the development of the interface:

“d) The department may develop and implement, or assist with the development and implementation, of a systems interface to electronically provide the information described in subsection (a) to a state agency.”

This bill will assist the Med-QUEST Division's program integrity efforts.

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



LATE

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEE ON HEALTH

Written
Testimony

HB 2262, Relating to Reporting Deaths to State Agencies

**Testimony of Keith Yamamoto
Deputy Director of Health**

February 12, 2014

1 **Department's Position:** Support with Suggestions

2 **Fiscal Implications:** Potential Loss of \$100,000 in Revenues

3 **Purpose and Justification:** HB2262 authorizes the Department of Health (DOH) to disclose lists of
4 names of persons whose deaths have been recorded by DOH, to state agencies that maintain official lists
5 of persons and are prohibited by federal law from sharing information from these lists unless the

6 Department of Health agrees to become a business associate of the state agency. The legislature enacted
7 section 338-14.2 and section 338-18(b) verification in lieu of a certified copy in 2001 to allow the

8 Department of Health to do death verification. We have been providing death verifications to state

9 agencies who lists are not confidential under federal law for over 13 years. When the Department of

10 Health is able to enter into a business associate agreement with state agencies, this legislation would

11 become unnecessary. HB2262 should only be in effect for a limited term of 2 years until the

12 Department of Health is able to meet the requirements of a business associate agreement. We suggest

13 the following sunset provision. "This Act shall take effect upon its approval and shall be repealed on

14 July 1, 2016; provided that section 338-18(g), Hawaii Revised Statutes, shall be reenacted in the form in

15 which it read on the day before the effective date of this Act." We are confident that will be able to

Promoting Lifelong Health & Wellness

1 meet all the requirements within 2 years or less. We support HB2262 as an interim measure but would
2 also like to see that the confidential information contained in the death records is protected from further
3 disclosure and if disclosure does occur that the state agency to which will entrust the information is
4 responsible for all monetary damages resulting from the unlawful disclosure. We can ask the
5 Department of the Attorney Generals for assistance in providing the exact wording of this provision.

6

7 Thank you for the opportunity to provide written testimony.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SEVENTH LEGISLATURE, 2014**

ON THE FOLLOWING MEASURE:

H.B. NO. 2262, RELATING TO REPORTING DEATHS TO STATE AGENCIES.

BEFORE THE:

HOUSE COMMITTEE ON HEALTH

LATE

DATE: Wednesday, February 12, 2014 **TIME:** 8:30 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): David M. Louie, Attorney General, or
Jill T. Nagamine, Deputy Attorney General

Chair Belatti and Members of the Committee:

The Department of the Attorney General strongly supports this bill.

The Department of Health (DOH) collects, compiles, and preserves data pertaining to vital events and is mandated to protect the integrity of that data by limiting access or disclosure of that data to only those with a direct and tangible interest in the data. Subject to the confidentiality provisions specified in section 338-18, Hawaii Revised Statutes (HRS), the DOH is authorized by statute to verify the existence of vital record information that an applicant provides to be verified. Subsequent to a 2012 amendment to section 338-18(g), HRS, the DOH is also allowed to disclose the dates of vital events to governmental agencies within the State of Hawaii via the verification process, upon the request of the governmental agency.

Because verification is essentially a "matching" of information that is already in the possession of the applicant, some governmental agencies that maintain lists of people who receive public benefits, tax exemptions, or other government services have been able to share their lists of people with the DOH and the DOH has been able to verify if it has a matching record. Unfortunately, some governmental agencies within the State that are otherwise entitled to verification of vital records under section 338-18(g), HRS, are unable to use the process because of federally mandated confidentiality requirements that prevent them from disclosing their lists of people to the DOH.

This bill, by adding a new section to chapter 338, HRS, would allow the DOH, pursuant to a written agreement, to provide death record information to state agencies that maintain official lists of persons in the ordinary course of the agency's activities but are prohibited by

federal law from sharing information from the lists with the DOH to take advantage of the verification process. Passage of this bill would assist governmental agencies within the State to determine eligibility for public benefits, correctly assess taxes, and discontinue services on behalf of deceased persons. Being able to update their lists will allow the agencies to limit fraud and increase the amount of available funds for those who are alive and actually need those funds. Confidentiality of the vital record information would be protected by the bill's prohibition against further disclosure of the information.

We respectfully request that this bill be passed.

**TESTIMONY BY SANDRA YAHIRO
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 2262**

February 12, 2014, 8:30 a.m.

LATE

RELATING TO REPORTING DEATHS TO STATE AGENCIES

Chairperson Belatti, Vice Chairperson Morikawa, and Members of the Committee,

The purpose of this bill is to authorize the Department of Health (DOH) to disclose lists of names of persons whose deaths have been recorded by DOH, to state agencies that maintain official lists of persons and are prohibited by federal law from sharing information from the lists.

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees strongly supports this Administration bill that will allow the EUTF to receive death information so that EUTF can timely terminate Medicare Part B reimbursements to deceased retirees and deceased retirees' spouses.

For your information, the EUTF reimburses Medicare retirees and their Medicare spouses for their Medicare Part B premiums. Currently, the standard monthly Part B premium is \$104.90 per month. Since EUTF currently is unable to secure death information on a timely basis, it is estimated that we pay over one-quarter million dollars per year to deceased retirees and spouses. Oftentimes, EUTF does not find out about deaths until months, and sometimes years, after the death. This bill will allow us to receive death information regularly and timely from the Department of Health, and, as

such, stop Medicare Part B reimbursements to deceased retirees or spouses saving the State thousands of dollars each year.

Thank you for the opportunity to testify.

**TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 2262**



February 12, 2014

RELATING TO REPORTING DEATHS TO STATE AGENCIES

House Bill No. 2262 authorizes the Department of Health (DOH) to disclose lists of names of persons whose deaths have been recorded by the DOH, to state agencies that maintain official lists of persons and are prohibited by federal law from sharing information from the lists.

The Department strongly supports this bill because it will have a direct benefit to the Hawaii Employer Union Health Benefits Trust Fund (EUTF) and other State agencies in their death validation and data cleansing efforts. The need for accurate death validation is necessary in order to ensure that the enrollee and dependent beneficiary data for the EUTF and other affected agencies reflects updated and timely information to prevent the overpayment of benefits. The EUTF reports that the lack of up to date information that could be provided by the DOH results in payouts to deceased retirees and spouses of at least an estimated one-quarter of a million dollars annually for Medicare Part B reimbursements. This does not include other instances where the payment of retiree health premiums may also continue for months or years for deceased retirees and spouses.

Thank you for the opportunity to provide testimony on this important measure.