
A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1 SECTION 1. The legislature finds that waste, fraud, and
2 abuse cost state medicaid programs an estimated \$18,000,000,000
3 per year nationwide. In most states, the common practice is to
4 pay claims and thereafter attempt to recover payments for claims
5 that are later found to be illegitimate. This pay-and-chase
6 model is extremely inefficient because it is more difficult to
7 recover payments than it is to deny illegitimate claims before
8 payments are made. One way to combat this problem is to
9 implement modern screening and prevention solutions to detect
10 fraud and abuse before illegitimate claims are paid.

11 The legislature also finds that implementing measures to
12 detect and prevent waste, fraud, and abuse in the State's
13 medicaid and children's health insurance programs will improve
14 the department of human services' ability to effectively
15 administer the programs and reduce costs. The measures will
16 also comply with program integrity provisions of the federal
17 Patient Protection and Affordable Care Act and the Health Care



1 and Education Reconciliation Act of 2010, promulgated in the
2 Centers for Medicare and Medicaid Services Final Rule 6028.

3 The purpose of this Act is to create the health insurance
4 waste, fraud, and abuse task force within the department of
5 human services to detect fraud and abuse before payments of
6 illegitimate claims are made under the medicaid managed care,
7 medicaid, and children's health insurance programs.

8 SECTION 2. (a) There shall be established within the
9 department of human services, the health insurance waste, fraud,
10 and abuse task force. The task force shall develop strategies
11 and plan and coordinate efforts to detect and prevent fraud and
12 abuse before payments of illegitimate claims are made under the
13 medicaid managed care, medicaid, and children's health insurance
14 programs.

15 (b) The health insurance waste, fraud, and abuse task
16 force shall meet quarterly at a place and time to be determined
17 by the chair of the task force. Meeting notices shall be posted
18 by the task force as required by chapter 92, Hawaii Revised
19 Statutes, and public testimony at meetings shall be accepted by
20 the task force. The task force shall be dissolved on July 1,
21 2013.



1 (c) The department of human services shall provide
2 administrative support, including the recording of minutes, to
3 the health insurance waste, fraud, and abuse task force.

4 (d) The director of human services shall be the chair of
5 the health insurance waste, fraud, and abuse task force. The
6 task force shall include the following members or their
7 designees:

- 8 (1) The director of human services;
- 9 (2) The director of health;
- 10 (3) A member of the house of representatives appointed by
11 the speaker of the house of representatives;
- 12 (4) A member of the senate appointed by the president of
13 the senate;
- 14 (5) Two representatives from consumer advocate groups;
- 15 (6) Two representatives from hospitals; and
- 16 (7) Two representatives from health plans.

17 The members of the task force shall serve without
18 compensation, and all necessary expenses, including travel
19 expenses, shall be paid by the agency, organization, or
20 department to which the member belongs. No member shall be made
21 subject to chapter 84, Hawaii Revised Statutes, solely because
22 of that member's participation as a member of the task force.



1 (e) The health insurance waste, fraud, and abuse task
2 force, in conjunction with the department of human services,
3 shall submit a report of its findings and recommendations,
4 including proposed legislation, if any, to the legislature no
5 later than twenty days prior to the convening of the regular
6 session of 2013.

7 SECTION 3. This Act shall take effect on July 1, 2012.



Report Title:

Medicaid; Children's Health Insurance Program; Fraud Prevention and Detection

Description:

Establishes the Health Insurance Waste, Fraud, and Abuse Task force to detect fraud and abuse before payments of illegitimate claims are made under the medicaid managed care, medicaid, and children's health insurance programs. Requires task force to report to 2013 legislature. (SD1)

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