

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2448  
H.D. 2  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2448, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a formula for calculating the amount to be contributed by the State towards a medicaid recipient's attorney's fees and costs incurred in obtaining a judgment, settlement, or award, in lieu of recovering the full amount.

Additionally, this measure:

- (1) Clarifies that a notice of lien sent by the Department of Human Services for reimbursement of medicaid benefits shall be accompanied by an itemized list of payments made by the Department;
- (2) Presumes the entire lien amount to be valid, absent a good faith basis for contesting the amount or validity of specific line item charges;
- (3) Caps the amount of the department's lien at one-third of the settlement, judgment, or award, less its contribution for attorney's fees and expenses; and
- (4) Defines the term "medical institution".



Your Committee received written comments in support of this measure from the Department of Human Services and Department of the Attorney General.

Your Committee finds that the medicaid program's ability to recover moneys from third parties to which it is entitled must be strengthened to maintain the viability of the medicaid program. This measure will assist the medicaid program in recovering those moneys, thereby reducing the burden on the program imposed by third parties and helping to ensure that the program is sustainable.

Your Committee has amended this measure by:

- (1) Clarifying the definition of the term "medical institution";
- (2) Requiring the Department of Human Services to provide a written notice of lien to the court when restitution is sought from a third person in a criminal proceeding;
- (3) Making a conforming amendment to section 706-646, Hawaii Revised Statutes, to include medical assistance provided by the State as an expense for which restitution may be ordered; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2448, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2448, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

|  |   |                                       |   |
|--|---|---------------------------------------|---|
| Bill / Resolution No.:*  | Committee Referral:   | Date:                                 |   |
| HB 2448 HD2 SD1  | HMS/JDL, WAM  | 3-29-12                               |   |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____                  |   |                                       |   |
| The Recommendation is:   |   |                                       |   |
| <input type="checkbox"/> Pass, unamended<br>2312   | <input checked="" type="checkbox"/> Pass, with amendments<br>2311 | <input type="checkbox"/> Hold<br>2310 | <input type="checkbox"/> Recommit<br>2313 |
| Members  | Aye   | Aye (WR)                              | Nay                                       |
| Excused  |   |                                       |   |
| IGE, David Y. (C)  | /   |                                       |   |
| KIDANI, Michelle N. (VC)   | /   |                                       |   |
| CHUN OAKLAND, Suzanne  | /   |                                       |   |
| DELA CRUZ, Donovan M.  | /   |                                       |   |
| ENGLISH, J. Kalani   | /   |                                       |   |
| ESPERO, Will   | /   |                                       |   |
| FUKUNAGA, Carol  | /   |                                       |   |
| KIM, Donna Mercado   | /   |                                       |   |
| KAHELE, Gilbert  |   |                                       | /   |
| KOUCHI, Ronald D.  |   |                                       | /   |
| RYAN, Pohai  | /   |                                       |   |
| TOKUDA, Jill N.  | /   |                                       |   |
| WAKAI, Glenn   | /   |                                       |   |
| SLOM, Sam  |   |                                       | /   |
|  |   |                                       |   |
|  |   |                                       |   |
|  |   |                                       |   |
|  |   |                                       |   |
| <b>TOTAL</b>   | 11  | 0                                     | 1   |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |   |                                       |   |
| Chair's or Designee's Signature: <i>Michelle N. Kidani</i>   |   |                                       |   |
| <b>Distribution:</b> Original      Yellow      Pink      Goldenrod<br>File with Committee Report      Clerk's Office      Drafting Agency      Committee File Copy |   |                                       |   |

\*Only one measure per Record of Votes