
A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1 SECTION 1. Recently, the state department of human
2 services contracted for the administration of a new managed care
3 program, QUEST Expanded Access, for the aged, blind, and
4 disabled population. Of the awarded contracts, only two went to
5 for-profit insurance companies to provide medicaid coverage for
6 Hawaii's 37,000 aged, blind, and disabled residents. Several
7 states have found a number of serious law violations and
8 instances of Medicaid fraud in administering similar medicaid
9 programs through for-profit insurance companies. As a result,
10 legislation has surfaced throughout the United States that
11 permits only nonprofit and government-related entities to bid on
12 medicaid contracts.

13 The purpose of this Act is to require all future medicaid
14 procurement contracts to be awarded only to qualified nonprofit
15 entities.



1 SECTION 2. Chapter 103F, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§103F- Procurement of medicaid contracts; nonprofits.

5 The department of human services shall solicit proposals for the
6 procurement of all medicaid contracts in the State solely from
7 nonprofit insurance entities and award contracts solely to those
8 entities."

9 SECTION 3. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun, before its effective date.

12 SECTION 4. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on January 1, 2050.



Report Title:

Medicaid; Procurement; Health and Human Services

Description:

Requires the department of human services to award medicaid contracts to nonprofit insurance entities only. (HB1525 HD1)

