

JAN 19 2012

A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1 SECTION 1. In 2007, the State shifted the medicaid aged,
2 blind, and disabled population from a fee-for-service medicaid
3 program administered directly by the department of human
4 services to managed care plans run by private, for-profit
5 companies, in an effort to achieve cost savings, improve the
6 quality of care, and increase coordination across acute and
7 long-term care.

8 The legislature finds that UnitedHealth Group Inc. and
9 WellCare Health Plans Inc., which operate in the State as
10 Evercare and Ohana Health Plan, respectively, are the only two
11 medicaid providers in the State that provide managed care
12 services under QUEST Expanded Access, a department of human
13 services program that provides services to medicaid clients who
14 are disabled or sixty-five years or older.

15 Evercare and Ohana Health Plan have been criticized by
16 clients for having problems, among them, receiving authorization
17 for medication, inaccuracies in physician provider lists,
18 disruptions in patient transportation services, lack of service



1 coordination, communication lapses with the providers, and
2 considerable wait times in obtaining assistance through health
3 plan call centers. Moreover, the parent companies, WellCare and
4 UnitedHealth Group, have come under scrutiny, with reports of
5 both companies facing legal and service-related problems.

6 The purpose of this Act is to direct the auditor to conduct
7 a management and financial audit of the services provided by
8 Evercare and Ohana Health Plan to medicaid clients under QUEST
9 Expanded Access.

10 SECTION 2. The auditor is directed to conduct a management
11 and financial audit of Evercare and Ohana Health Plan, the two
12 providers of medicaid services under the department of human
13 services' QUEST Expanded Access program. The audit shall
14 include but shall not be limited to:

- 15 (1) The quality and efficiency of services provided to
16 medicaid clients by Evercare and Ohana Health Plan;
- 17 (2) Client access to services provided by both companies;
- 18 (3) The billing of clients by both companies; and
- 19 (4) The financial soundness of the Evercare's and Ohana
20 Health Care's parent companies, UnitedHealth Group
21 Inc. and WellCare Health Plans Inc., in ensuring
22 quality services to their clients.



1 SECTION 3. The auditor shall report its findings and
2 recommendations, including any proposed legislation, to the
3 legislature no later than twenty days before the convening of
4 the regular session of 2013.

5 SECTION 4. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so much
7 thereof as may be necessary for fiscal year 2012-2013 for the
8 purposes of this Act.

9 The sum appropriated shall be expended by the auditor for
10 the purposes of this Act.

11 SECTION 5. This Act shall take effect on July 1, 2012.

12

INTRODUCED BY: *Shianne Chun Oakland*
By Request



S.B. NO. 2143

Report Title:

Medicaid Service Providers; Audit

Description:

Directs the Auditor to conduct a management and financial audit of the services provided by Evercare and Ohana Health Plan to medicaid clients under QUEST Expanded Access. Requires the Auditor to submit its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days before the convening of the Regular Session of 2013. Effective July 1, 2012.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

