



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
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February 26, 2016

TO: The Honorable Gilbert S.C. Keith-Agaran, Chair
Senate Committee on Judiciary and Labor

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB 2840 SD1 - RELATING TO REPORTING DEATHS TO STATE AGENCIES**
Hearing: Friday, February 26, 2016; 9:00 a.m.
Conference Room 016, State Capitol

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

PURPOSE: The purpose of this bill authorizes the Department of Health to continue to disclose, including through electronic means, 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 their lists.

The date of death is important to the DHS Medicaid program as the date is necessary to stop capitation payments to the contracted managed care health plans on behalf of the deceased. The Department is often not notified of the death of an individual until weeks or months after the fact. When notified, unless the death certificate is provided, the closure of a case is done prospectively. The proposed extension will allow DHS to obtain the actual date of death and recover payments made to the managed care plan back to the respective date.

Based upon the last time a match was conducted, the average capitation rate was \$822 per month. The Department of Health was able to match 399 Medicaid recipients to death certificates in their system. This bill will allow the DHS to continue our efforts to improve program integrity and save money for the Medicaid program.

Regarding the provision of a sunset date of July 1, 2018, the DOH and DHS are in the process of executing a Business Associate Agreement in compliance with the Health Insurance Portability and Accountability Act (HIPAA). The Department understands that once the agreement amongst State agencies is executed, the requested statutory provision to share death or other vital statistic information will no longer be necessary.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR

STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

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TESTIMONY BY DEREK MIZUNO
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR
ON
SENATE BILL NO. 2840 SD1

February 26, 2016, 10:00 a.m.

RELATING TO REPORTING DEATHS TO STATE AGENCIES

Chair Keith-Agaran, Vice Chair Shimabukuro, and Members of the Committee:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees strongly supports this Administration bill that will continue to allow the EUTF to receive death information from the State Department of Health in order to timely terminate Medicare Part B premium reimbursements paid to deceased retirees and to deceased spouses of retirees. The EUTF reimburses Medicare Part B premiums paid by Medicare retirees and their Medicare spouses. Most retirees and spouses of retirees are reimbursed \$104.90 per month (which is expected to rise in the future) at the end of each quarter. Since the passage of Act 27, Sessions Laws of Hawaii 2014, the EUTF has terminated Medicare Part B premium reimbursements to 265 deceased retirees and deceased spouses of retirees using the death information from the State Department of Health during the period January 1, 2010 through December 31, 2015. The estimated annual savings to the State and counties is \$330,000.

Thank you for the opportunity to testify.

EUTF's Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide service that is excellent, courteous, compassionate, and informative.