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August 1, 2012

Gerald S. Hartman
The Barbara McDowell and Gerald S. Hartman Foundation
Drinker Biddle & Reath LLP
1500 K Street, N.W.
Washington, DC 20005-1209

Re: 2011 Grant from the Barbara McDowell and Gerald S. Hartman Foundation

Dear Mr. Hartman,

We are pleased to provide the following final report of the work performed on the issue for which the grant from the Barbara McDowell and Gerald S. Hartman Foundation grant was provided.

As described in our proposal, NCLEJ works to ensure that low-income families can access critical income and work supports during this period of sustained economic crisis. In the wake of layoffs, reduced earnings, and depleted savings, low-income families increasingly turn to the promised safety net, such as food stamps, Medicaid, cash assistance, and unemployment insurance.

However, faced with deepening need, these families all too frequently find closed doors, unconscionable delays, and erroneous denials. All too often, the systems intended to serve as the stop gap in the event of an economic catastrophe are overwhelmed with reduced staffing, antiquated computer systems, conflicting eligibility requirements, and excessive paperwork.

Delays in processing can reach months, and tens of thousands of eligible households either give up entirely or endure long waits. We sought support for our work to reform the processing of Medicaid benefits for low-income Hawaiians.

We are pleased to report that our efforts in Hawaii have had an impact on the State's conduct and have prepared the ground for ongoing advocacy to reform the processing of Medicaid benefits for low-income Hawaiians. The very successful food stamp class action we won in Hawaii has had a great impact. After the federal judge issued a first of its kind injunction requiring the State to timely process food stamp applications, we were able to build upon that injunction and achieve an order in which the State is obligated to:

- (a) achieve absolute compliance with federal processing time lines;
- (b) provide extensive notice of the right to apply for and timely receive food stamps if eligible; and
- (c) turn over to plaintiffs' counsel extensive monitoring and reporting.



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Gerald S. Hartman
August 1, 2012
Page 2

The food stamp injunction and order have (1) enabled us to learn considerably more about the operation of the State benefits processing offices and identify reasons for delays in processing, and (2) forced the State to develop a business process work plan to streamline operations in its benefits offices.

As anticipated, the same fixes we secured for the food stamp program have led to improvements in the processing of Medicaid applications. For example, based on state supplied data, we know that in the first four months of 2012 the percentage of applications pending at the end of the month for fewer than 45 days (which is the legal standard) has shown a significant improvement:

April	85.7%
March	87.0%
February	78.0%
January	77.4%

While we have not seen the State achieve the performance we believe is appropriate, we see the improvement as dramatic.

Our work has also opened doors for other issues and we are continuing to work with local counsel to reach out to health care providers and other advocates to lay the critical groundwork as Hawaii begins implementing the Affordable Care Act.

Mary Mannix and I, each of us senior counsel with experience in litigation and the proper operation of human service programs, devoted more than 100 hours to this matter. Expenses for our time, and related support staff and overhead costs, far exceeded the full amount of the \$10,000 grant. Accordingly, all grant funds were consumed in this period.

Thank you again to the Barbara McDowell and Gerald S. Hartman Foundation for its support of this work. Please let me know if we can provide any further information.

Sincerely,

Marc Cohan
Director of Litigation