

 <b>HAWAII HEALTH SYSTEMS CORPORATION</b> <i>Quality Healthcare for All</i>	<b>Department:</b>  <b>LEGAL</b>	<b>Policy No.</b>  <b>ADM 0025A</b>
		<b>Supersedes Policy No.</b>
<b>POLICY</b>	<b>Approved By:</b>  <i>Brenda S. Ho</i>	<b>Approved Date:</b>  January 26, 2024
<b>Subject:</b>  <b>Attorney Billing Guidelines for Non-Insurance Matters</b>	HHSC Board of Directors By: Brenda Ho Its: Secretary/Treasurer	<b>Last Reviewed:</b>  December 4, 2023

**I. Purpose:** To define criteria that apply to law firms submitting bills to Hawaii Health Systems Corporation (“HHSC”) for non-insurance related matters. For insurance-related matters, firms should follow the guidelines distributed by the applicable carrier.

**II. Policy:** All legal bills must conform to these guidelines in order to be paid, unless an exception is granted in writing by the HHSC attorney in charge of the matter (“Attorney in Charge”). For regions with employed regional counsel, regional counsel will be the Attorney in Charge, with respect to attorney retentions by and for that single region, unless otherwise specified in the retention Agreement. The HHSC Vice President and General Counsel is the Attorney in Charge with respect to all other attorney retentions.

**III. Guidelines:**

**A. Billing Rates and Not to Exceed (NTE) Amounts:** The firm shall invoice HHSC in accordance with the price list and discounts specified in the Agreement between the law firm and HHSC. Under no circumstances will billing rates be increased on any matter in progress or prior to the expiration of any Agreement term, unless the Agreement is amended. In the event the firm determines that work not yet invoiced is approaching the NTE amount specified in the Agreement, the firm shall contact the Attorney in Charge identified in the Agreement to discuss discontinuation of the work or an amendment to the Agreement. The firm understands that no payments shall be made for work performed beyond the NTE amount.

**B. Plan and Budget:** Depending on the case or matter involved, the Attorney in Charge may ask the firm to submit a plan and budget for prior approval. If so requested, the plan and budget should contain the following elements:

- Description of the issue and work to be done.
- Indication of who will be working on the project, the billing rates for each person, and the anticipated time each person will spend on the project.

- Itemization of any significant costs (such as experts, court reporters, travel, etc.)
- The estimated completion date, as well as dates for intermediate steps.

**C. Invoices:** Each invoice should identify the case or matter involved. Different matters shall not be billed on the same invoice. Invoices shall reference the Agreement number and include, at a minimum, an itemized account of all services performed and expenses incurred and a cumulative total of the amount invoiced and the remaining NTE amount (after payment of the current invoice). Bills should be prepared and sent on a monthly basis. Electronic transmission of invoices is permitted. Counsel shall bill actual time in 1/10 hour (6 minute) increments. This applies to all counsel. Block billing, i.e., aggregating multiple tasks under a single time charge, is not allowed. Each billing entry should provide a sufficiently detailed billing description so that the specific nature of the legal services provided can be clearly understood. Overly generalized and vague billing entries will not be paid.

**D. Professional Fees:**

- **Timekeeper Summaries:** Every bill must include a timekeeper summary (i.e., total hours and dollars billed for each attorney or paralegal). There should be two summaries: one that is cumulative for all bills on the matter and a current billing summary. The hourly rate charged for each timekeeper must be clearly indicated in the summary.
- **Legal Teams:** It is expected that the lead attorney will do all of the work and remain on the case from its inception until its conclusion (absent leaving the firm). However, it may be appropriate to establish a team of two or three lawyers and/or paralegals for a particular case. No more than three timekeepers may work on a file. We will not pay for education of a new attorney if a file is transferred (i.e., ramp-up).
- **Duplication and Conferences:** HHSC will not pay for duplication of effort. Unless approved in advance by the Attorney in Charge, we will pay for one attorney or one paralegal to do a task, including drafting documents and attending depositions or hearings. Supervision and training of associates is not compensated. Where it is necessary for a conference to occur among two or more attorneys in a firm, HHSC will pay for the time of one attorney billing at a lower rate.
- **Research:** Research in excess of two hours per matter shall not be performed without the prior approval of the HHSC attorney in charge of the matter. A memo detailing the results of research charged to HHSC shall be sent to the Attorney in Charge electronically. We will pay reasonable actual charges for computerized databases (such as Lexis

or Westlaw), but we will not pay markups for such computerized research.

- **Paralegals:** HHSC does not pay legal fees or paralegal fees for clerical or secretarial work. Attachment A lists paralegal functions that are reasonably compensated at paralegal rates. Attachment B lists clerical or secretarial functions, which are not compensated.
- **Recycled Documents:** If the firm re-uses existing pleadings and memoranda, HHSC will not pay for the original time expended drafting the documents. HHSC will pay for the time spent updating and revising the documents.

#### **E. Costs:**

- **Extraordinary and Travel Expenses:** Prior approval must be obtained for extraordinary expenses, which include, but are not limited to: investigative services, computer litigation support, videotaping of depositions, focus juries, consultants for witness preparation, and out of state travel expenses. All travel expenses will be reimbursed for coach class fares and moderate hotels. Additionally, \$45 per day will be reimbursed for meals and tips for out of state travel, provided there shall be no reimbursement for any alcoholic beverages. Receipts are required for all travel expenses. All travel time and expenses shall be itemized on invoices.
- **Overhead and Non-Billable Items:** HHSC considers the following items to be overhead costs included in the attorney's hourly rate or otherwise non-billable:
  1. Charges for opening or closing files.
  2. Charges for recording time, preparation or review of bills, collection of bills, or answering billing questions.
  3. Word processing, clerical or secretarial charges, including overtime, whether expressed as a dollar disbursement or time charge.
  4. Storage of open or closed files, rent, electricity, air conditioning, file folders, binders, or other office supplies or equipment.
  5. Technology costs, including hardware, software, licenses, personnel or services related to acquisition, maintenance or upgrade of the firm's technology infrastructure.
  6. Equipment, books, periodicals, research materials.
  7. Any other items traditionally associated with overhead.
- **Reimbursable Expenses:** Reimbursable expenses include:
  1. Long distance telephone calls (actual costs).
  2. Lexis/Westlaw charges (within parameters for research and at actual cost to firm).
  3. Outgoing faxes (actual line charges only).

4. Postage and other mail charges, such as Federal Express (at actual cost when needed).
5. Messenger services (at actual cost when needed).
6. Photocopying in-house at no more than \$0.10 (ten cents) per page and you must show the number of copies on the invoice; outside copying for large jobs will be reimbursed at actual cost, when necessary.
7. Trial preparation materials, such as exhibits, when necessary and reasonable.
8. Auto mileage at the prevailing IRS rate.
9. Litigation costs (e.g., court reporter, transcript, filing fees, etc., all at actual cost).

**F. Experts and Consultants:** The retention of experts and consultants require prior approval of the Attorney in Charge. All expert services should be conducted pursuant to a written agreement defining tasks to be performed, and a budget should be prepared for each expert and submitted to the HHSC Attorney in Charge before the expert is authorized to commence the work.

**IV. APPLICABILITY:** This policy applies to all HHSC facilities.

**V. REFERENCES:** None

**VI. ATTACHMENTS:** Attachment A - Common Paralegal Functions  
Attachment B - Common Clerical or Secretarial Functions

## **Attachment A**

### **Common Paralegal Functions**

1. Prepare form interrogatories.
2. Conduct legal research.
3. Prepare form expert demand/identification interrogatories.
4. Prepare motions to compel responses to discovery.
5. Summarize answers to interrogatories.
6. Prepare record subpoenas.
7. Prepare authorization to secure records (medical, tax, IRS, employment, union).
8. Prepare form notice to produce.
9. Summarize depositions (line summary/digest). May also be done by trial attorney or attorney taking deposition.
10. Attend trial, if prior approval is received.
11. Prepare trial notebooks.

**Attachment B**  
**Common Clerical or Secretarial Functions**

1. Scheduling and arrangements
2. Scheduling of meetings unless done by attorney
3. Scheduling of appointments
4. Scheduling and arrangements for examinations
5. Calendaring
6. Conflict checks
7. Organize and reorganize files
8. Bates stamping
9. Indexing file material
10. Tabbing file material
11. Pick up and deliver documents and records
12. Telephone calls and/or correspondence to copy service, attorney service, court reporter
13. Telephone calls and correspondence regarding discovery and pending extensions, unless done by attorney
14. Create and organize binders and notebooks, except trial notebooks
15. Create and organize folders
16. Process vendor bills
17. Collate
18. Organize files for storage
19. Update lists
20. Copy and bind
21. File and refile
22. Inventory documents
23. Pull/copy documents
24. Order reporter or translator
25. Travel arrangements