
A BILL FOR AN ACT

RELATING TO MEDICAL ASSISTANCE FRAUD.

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

1 SECTION 1. Section 346-43.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~[+]§346-43.5[+]~~ **Medical assistance [~~frauds,~~ fraud;**
4 **penalties.** [~~It is unlawful for any person to~~] (a) A person
5 commits the offense of medical assistance fraud if:

6 (1) The person knowingly and [~~willfully make~~] wilfully
7 makes or [~~cause~~] causes to be made to the medical
8 assistance program any false statement or
9 representation of a material fact in any application
10 for any benefit or payment for furnishing services or
11 supplies, or for the purpose of obtaining greater
12 compensation than that to which the person is legally
13 entitled, or for the purpose of obtaining
14 authorization for furnishing services or supplies[~~-~~
15 ~~Violation of this section shall be a class C felony.~~
16 ~~The enforcement of remedies provided under this~~
17 ~~section are not exclusive and shall not preclude the~~
18 ~~use of any other criminal or civil remedy.]; or~~



1 (2) The person knowingly makes or causes to be made any
2 false statement or representation of a material fact
3 in any application for any medical assistance benefit
4 or renewal of any medical assistance benefit, or in
5 any statement, document, or record, in written,
6 printed, or electronic form, in support of, or
7 connected with, that application for or renewal of
8 medical assistance benefits.

9 (b) A person convicted under this section shall pay
10 restitution equivalent to the amount of medical assistance
11 benefits paid by the State on behalf of that person.

12 (c) For purposes of this section, the term "medical
13 assistance benefit" means health care coverage or services,
14 including medical, behavioral health, dental, or long-term care
15 services, provided to or paid for on behalf of a person by the
16 State, regardless of the source of funding. Payment for medical
17 assistance benefits may be made through capitated payments,
18 insurance premiums, co-payments, any payments made by the State
19 to that person's health care providers, and any other payments
20 made by the State on behalf of the person for health care
21 coverage or services.



1 (d) The offense of medical assistance fraud is a class C
2 felony.

3 (e) The remedies provided under this section are not
4 exclusive and shall not preclude the use of any other criminal
5 or civil remedy."

6 SECTION 2. Section 701-108, Hawaii Revised Statutes, is
7 amended by amending subsection (3) to read as follows:

8 "(3) If the period prescribed in subsection (2) has
9 expired, a prosecution may nevertheless be commenced for:

10 (a) Any offense an element of which is [~~either~~] fraud,
11 deception[~~7~~] as defined in section 708-800, [~~or~~] a
12 breach of fiduciary obligation, or the offense of
13 medical assistance fraud under section 346-43.5,
14 within three years after discovery of the offense by
15 an aggrieved party or by a person who has a legal duty
16 to represent an aggrieved party and who is oneself not
17 a party to the offense, but in no case shall this
18 provision extend the period of limitation by more than
19 six years from the expiration of the period of
20 limitation prescribed in subsection (2);

21 (b) Any offense based on misconduct in office by a public
22 officer or employee at any time when the defendant is



1 in public office or employment or within two years
2 thereafter, but in no case shall this provision extend
3 the period of limitation by more than three years from
4 the expiration of the period of limitation prescribed
5 in subsection (2); and

6 (c) Any felony offense involving evidence containing
7 deoxyribonucleic acid from the offender, if a test
8 confirming the presence of deoxyribonucleic acid is
9 performed prior to expiration of the period of
10 limitation prescribed in subsection (2), but in no
11 case shall this provision extend the period of
12 limitation by more than ten years from the expiration
13 of the period of limitation prescribed in subsection
14 (2)."

15 SECTION 3. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun, before the effective date of this Act.

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 5. This Act, upon its approval, shall take effect
21 on July 1, 2014.



Report Title:

Medical Assistance Fraud; Restitution; Statute of Limitations

Description:

Amends section 346-43.5, Hawaii Revised Statutes, to clarify that fraudulently applying for or renewing medical assistance benefits is a class C felony, and to clarify the amount of restitution when the fraud is committed by a recipient of medical assistance benefits. Extends the statute of limitations for the offense of medical assistance fraud to three years after discovery of the offense but within six years after commission of the offense. (SD1)

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