



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2016**

ON THE FOLLOWING MEASURE:

H.B. NO. 900, H.D. 2, RELATING TO MEDICAL ASSISTANCE FRAUD.

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY AND LABOR

DATE: Tuesday, April 06, 2016

TIME: 9:15 a.m.

LOCATION: State Capitol, Room 016

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Lance M. Goto, Deputy Attorney General

Chair Keith-Agaran and Members of the Committee:

The Attorney General supports this bill, because it will strengthen the ability of the State to prosecute individuals who fraudulently obtain medical assistance benefits.

This measure amends section 346-43.5, Hawaii Revised Statutes (HRS), to clarify that an individual who fraudulently applies for or renews medical assistance benefits commits the offense of medical assistance fraud, which is a class C felony. In addition, this measure makes clear that restitution equivalent to the amount of medical assistance benefits paid on behalf of such a recipient of medical assistance benefits shall be paid by the convicted person. Finally, this measure amends section 701-108(3), HRS, to extend the statute of limitations for the offense of medical assistance fraud, thereby allowing medical assistance fraud cases to be brought within three years after discovery of the offense, but in no case more than six years after the expiration of the three-year statute of limitations provided for under section 701-108(2), HRS.

This measure will allow for more effective prosecution of applicants who fraudulently obtain medical assistance paid for by the State. Section 346-43.5 currently could be interpreted to apply only to fraud committed by health care *providers*, and not to fraud committed by individual *recipients* of medical assistance benefits. This measure will make it clear that the section also applies to fraud committed by individual recipients. This measure also will give notice to recipients of medical assistance of this criminal offense and clarifies the type of restitution that will be owed if convicted. It also allows prosecutors to commence actions for medical assistance fraud beyond the standard three-year statute of limitations provided for by section 701-108(2), HRS. This extension of the statute of limitations is warranted because the

fraudulent conduct can often conceal the offense or make it difficult to recognize or discover it. This amendment would make the statute of limitations period consistent with the time limitation allowed for theft of other public assistance benefits, such as SNAP (food stamps), financial, or childcare, as a result of fraudulent conduct.

For the foregoing reasons, we respectfully request that this measure be passed.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc:
Subject: *Submitted testimony for HB900 on Apr 5, 2016 09:05AM*
Date: Monday, April 04, 2016 8:13:47 PM

HB900

Submitted on: 4/4/2016

Testimony for JDL on Apr 5, 2016 09:05AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov