
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF THE ATTORNEY GENERAL OPERATING
BUDGET.

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

1 SECTION 1. Due to rampant medicaid fraud that was
2 occurring in the 1970s, each state that accepts federal medicaid
3 funding is required to establish a medicaid fraud unit. The
4 mission of the medicaid fraud unit is to investigate and
5 prosecute medicaid provider fraud and patient abuse or neglect
6 that occurs in health care facilities or in board and care
7 facilities.

8 These medicaid fraud units receive seventy-five per cent of
9 their budget from the federal government and twenty-five per
10 cent from their respective state. In Hawaii, the medicaid fraud
11 unit has been able to recover enough money through settlements
12 in large, multistate medicaid civil fraud cases to cover the
13 State's share of its budget. However, as these large multistate
14 cases continue to decrease, this funding approach will make the
15 medicaid fraud unit's budget less predictable. In fact, it
16 appears that Hawaii's medicaid fraud unit will soon not receive



1 sufficient national civil recoveries to cover the state match.
2 Further, the balance of available funds from these sources will
3 likely be depleted in August 2020.

4 Most states' medicaid fraud units currently receive
5 budgeted funds through legislative appropriations for the
6 medicaid fraud unit match. The process to appropriate these
7 funds has been further disrupted by the Coronavirus Disease 2019
8 pandemic. However, an alternative source of funding, excess
9 funds in the DNA registry special fund, has been identified to
10 provide a bridge for fiscal year 2021. The transfer of moneys
11 out of the DNA registry special fund will not have an adverse
12 impact on that special fund.

13 Accordingly, the purpose of this Act is to transfer moneys
14 from the DNA registry special fund to the medicaid
15 investigations recovery fund in order to cover the State's
16 funding obligation for the medicaid fraud unit.

17 SECTION 2. There is appropriated out of the DNA registry
18 special fund the sum of \$500,000 or so much thereof as may be
19 necessary for fiscal year 2020-2021 to be deposited into the
20 medicaid investigations recovery fund established under section
21 28-91.5, Hawaii Revised Statutes.



1 The sum appropriated shall be expended by the department of
2 the attorney general for the purposes of the medicaid
3 investigations recovery fund.

4 SECTION 3. This Act shall take effect upon its approval.



H.B. NO.

1352
H.D. 2
S.D. 1
PROPOSED

Report Title:

Department of the Attorney General; Medicaid Fraud Unit; DNA Registry Special Fund; Medicaid Investigations Recovery Fund

Description:

Transfers moneys from the DNA registry special fund to the medicaid investigations recovery fund. (SD1 PROPOSED)

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