
A BILL FOR AN ACT

RELATING TO OVERPAYMENTS.

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

1 SECTION 1. Section 346-44, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§346-44 Recovery of public assistance overpayments.** (a)
4 All overpayments of public assistance funds, including but not
5 limited to overissuances of financial assistance, food stamp
6 bonuses under a food stamp plan, medicaid assistance, and
7 incorrect vendor payments in behalf of a recipient, shall
8 constitute a debt due and owing to the department by the
9 recipient of such overpayments. [~~In~~]

10 (b) Any action to recover overpayment of public assistance
11 funds under this section shall be made within _____ years from
12 the date of payment to the vendor or recipient; provided that in
13 addition to the remedies elsewhere prescribed in this chapter
14 for the recovery of assistance fraudulently obtained, recovery
15 of all overpayments will be made to the extent allowable by
16 federal regulations.



1 (c) The department shall [~~promulgate~~] adopt and enforce
2 such rules and regulations as may be necessary to effect the
3 maximum recovery of public assistance overpayments, including
4 but not limited to the reduction of future public assistance
5 grants. Departmental rules and regulations for the recovery of
6 overpayments shall prescribe procedures for recourse to the
7 civil courts when required, the filing of liens against the real
8 property of overpaid recipients, and the filing of claims
9 against the estate of a deceased recipient who has received
10 overpayments which have not been recovered.

11 (d) Nothing in this section shall preclude the director
12 [~~of human services~~] from [~~promulgating~~] adopting procedures for
13 waiving the recovery of overpayments in cases of bona fide
14 hardship or where the costs of recovery would exceed the amount
15 expected to be recovered."

16 SECTION 2. Section 346-59.6, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§346-59.6 Medicaid overpayment recovery.** (a) The
19 director shall recover medicaid overpayments made to providers.

20 (b) Medicaid overpayments shall be recovered due to a
21 provider's ineligibility, noncovered service, noncovered drug,



1 lack of prior authorization when a service requires one,
2 incorrect payment allowance identified through any post payment
3 review, or claims processing error.

4 (c) The director may recover overpayments through
5 recoupment, tax offset under sections 231-51 to 231-59, and
6 circuit court judgment. [~~Nothing~~]

7 (d) Any action to recover medicaid overpayments under this
8 section shall be made within _____ years from the date of
9 payment to the provider.

10 (e) Notwithstanding subsection (d), nothing in this
11 section shall limit the director's authority to recover
12 overpayments through all other lawful means."

13 SECTION 3. This Act does not affect rights that matured,
14 penalties that were incurred, and proceedings that were begun
15 before its effective date.

16 SECTION 4. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect upon its approval.

19

INTRODUCED BY:

JAN 18 2019



H.B. NO. 659

Report Title:

Medicaid; Public Assistance; Funds; Overpayment Recovery; Time Limit; Statute of Limitations

Description:

Establishes unspecified time limits in which the Director of Human Services (DHS) can recover Medicaid overpayments made to providers and DHS can recover public assistance overpayments made to recipients, under certain circumstances.

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