STAND. COM. REP. NO. 3564

Honolulu, Hawaii

APR 0 8 2016

RE: H.B. No. 900

H.D. 2 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 900, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL ASSISTANCE FRAUD,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide that a person commits medical assistance fraud if the person knowingly makes or causes to be made a false statement or representation of a material fact relative to any medical assistance benefit;
- (2) Clarify that fraudulently applying for or renewing medical assistance benefits is a class C felony and specifies the restitution amount chargeable for a violation; and
- (3) Apply the extended statute of limitations to offenses in which medical assistance fraud is an element.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that this measure will allow for more effective prosecution of applicants who fraudulently obtain medical assistance paid for by the State. Existing law could be interpreted to apply only to fraud committed by health care

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providers, and not to fraud committed by individual recipients of medical assistance benefits. This measure will make it clear that the law also applies to fraud committed by individual recipients and enable prosecutors to commence actions for medical assistance fraud beyond the three-year statute of limitations established by section 701-108(2), Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 900, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 900, H.D. 2, S.D. 1.

Respectfully submitted on behalf of the members of the Committee on Judiciary and Labor,

GILBERT S.C. KEITH-AGARAN, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Judiciary and Labor JDL

| Bill / Resolution No.:* | Committee Referral: | | D | Date: / / | |
|---|---------------------|------------|-----------------|------------|--------------|
| HB900 HDZ | HMS, JDL | | | 4/6// | 6 |
| The Committee is reconsidering its previous decision on this measure. | | | | | |
| If so, then the previous decision was to: | | | | | |
| The Recommendation is: | | | | | |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 | | | | | |
| Members | | Aye | Aye (WR) | Nay | Excused |
| KEITH-AGARAN, Gilbert S.C. (C) | | | | | |
| SHIMABUKURO, Maile S.L. (VC) | | | | | |
| GABBARD, Mike | | / | | | |
| KAHELE, Kaialiʻi | | | | | |
| KIM, Donna Mercado | | / | | | |
| THIELEN, Laura H. | | | | | |
| SLOM, Sam | | | | | |
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| TOTAL | | 5 | | | 2 |
| Recommendation: Adopted Not Adopted | | | | | |
| Chair's or Designee's Signature: | | | | | |
| Distribution: Original | Yellow | | Pink Goldenrod | | |
| File with Committee Re | eport Clerk | d's Office | Drafting Agency | y Committe | ee File Copy |

*Only one measure per Record of Votes