

ACT 293

H.B. NO. 3027

A Bill for an Act Relating to Medicaid Overpayment Recovery.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to part II to be appropriately designated and to read as follows:

“§346-A Medical overpayment recovery. The director shall recover medicaid overpayments made to providers. Medicaid overpayments shall be recovered due to a provider’s ineligibility, noncovered service, noncovered drug, lack of prior authorization when a service requires one, incorrect payment allowance identified through any post payment review, or claims processing error. The director may recover overpayments through recoupment, tax offset under sections 231-51 to 231-59, and circuit court judgment. Nothing in this section shall limit the director’s authority to recover overpayments through all other lawful means.”

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§346-B Enforcement of decisions regarding medicaid overpayment recovery; judgment rendered thereon. (a) The director may file in the circuit court in the jurisdiction in which the medicaid overpayment occurred a certified copy of:

- (1) A decision of the director assessing a medicaid overpayment against a provider from which no appeal has been taken within the time allowed therefor;
- (2) A decision of the director assessing a medicaid overpayment against a provider from which an appeal has been taken but in which no order has been made by the director, the administrative appeals officer, or the court that the appeal shall operate as a supersedeas or stay;
- (3) A decision of the administrative appeals officer assessing a medicaid overpayment against a provider from which no appeal has been taken within the time allowed therefor; or
- (4) A decision of the administrative appeals officer assessing a medicaid overpayment against a provider from which an appeal has been taken but in which no order has been made by the administrative appeals

officer or the court that the appeal shall operate as a supersedeas or stay.

The court shall render a judgment in accordance with the decision and notify the parties thereof. The judgment shall have the same effect, and all proceedings in relation thereto shall thereafter be the same, as though the judgment had been rendered in an action duly heard and determined by the court, except that there shall be no appeal therefrom.

(b) In all cases in which an appeal from the decision has been taken within the time provided, but in which the director, the administrative appeals officer, or the court has not issued an order that the appeal shall operate as a supersedeas or stay, the decree or judgment of the circuit court shall provide that the decree or judgment shall become void if the decision or award of the director or administrative appeals officer, as the case may be is later set aside.

(c) As used in this section, the term "administrative appeals officer" means the director's designated subordinate appointed to contested case hearings pursuant to chapter 91, and this chapter."

SECTION 3. Section 231-51, Hawaii Revised Statutes, is amended to read as follows:

"§231-51 Purpose. The purpose of sections 231-52 to 231-59 is to permit the retention of state income tax refunds of those persons who owe a debt to the State, who are delinquent in the payment of child support, who have defaulted on an education loan note held by the United Student Aid Funds, Inc., [or] who owe federal income taxes to the United States Treasurer[.], or who receive a medicaid overpayment subject to recovery under section 346-A."

SECTION 4. Section 231-52, Hawaii Revised Statutes, is amended by amending the definition of "debt" to read:

""Debt" includes [either]:

- (1) Any delinquency in periodic court-ordered payments for child support in an amount exceeding the sum of payments which would become due over a one-month period; [or]
- (2) Any liquidated sum exceeding \$25 which is due and owing any claimant agency, regardless of whether there is an outstanding judgment for that sum, and whether the sum has accrued through contract, subrogation, tort, operation of law, or judicial or administrative judgment or order; [or]
- (3) Any defaulted education loan note held by the United Student Aid Funds, Inc. incurred under the federal Higher Education Act of 1965 (Public Law 89-329, 79 Stat. 1219), as amended; [or]
- (4) Any federal income taxes due and owing to the United States Treasurer[.]; or
- (5) Any medicaid overpayment under section 346-A."

SECTION 5. In codifying the new sections added by section 1 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act, including cross references in this Act.

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.¹

SECTION 7. This Act shall take effect upon its approval.

(Approved July 20, 1998.)

Note

1. Edited pursuant to HRS §23G-16.5.