

ACT 25

H.B. NO. 1352

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:

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

These medicaid fraud units receive seventy-five per cent of their budget from the federal government and twenty-five per cent from their respective state. In Hawaii, the medicaid fraud unit has been able to recover enough money through settlements in large, multistate medicaid civil fraud cases to cover the State's share of the medicaid fraud unit's budget. However, as these large multi-state cases continue to decrease, this funding approach will make the medicaid fraud unit's budget less predictable. In fact, it appears that Hawaii's medicaid fraud unit will soon not receive sufficient national civil recoveries to cover the state match. Further, the balance of available funds from these sources will likely be depleted in August 2020.

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

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

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

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

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

(Approved September 15, 2020.)