



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

September 15, 2020

**GOV. MSG. NO. 1130**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on September 15, 2020, the following bill was signed into law:

HB1352 HD2 SD1

RELATING TO THE DEPARTMENT OF THE  
ATTORNEY GENERAL OPERATING BUDGET.  
**Act 025 (20)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

# 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 the medicaid fraud unit's budget. However, as  
 14 these large multistate cases continue to decrease, this funding  
 15 approach will make the medicaid fraud unit's budget less  
 16 predictable. In fact, it appears that Hawaii's medicaid fraud



1 unit will soon not receive sufficient national civil recoveries  
2 to cover the state match. Further, the balance of available  
3 funds from these sources will 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.

APPROVED this 15 day of SEP , 2020




GOVERNOR OF THE STATE OF HAWAII




**THE SENATE OF THE STATE OF HAWAI‘I**

Date: July 6, 2020  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirtieth Legislature of the State of Hawai‘i, Regular Session of 2020.

  
President of the Senate

  
Clerk of the Senate

HB No. 1352, HD 2, SD 1


THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: July 10, 2020  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives