



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

LINDA LINGLE
GOVERNOR

Mark J. Bennett, Attorney General
Phone: (808) 586-1500
Fax: (808) 586-1239

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**STATE SETTLES FALSE CLAIM CASE WITH KAISER-HAWAII
FOR \$900,000**

HONOLULU – Attorney General Mark Bennett announced today that the State of Hawaii, through the Medicaid Fraud Control Unit of the Department of the Attorney General, has secured Medicaid program reimbursement and a substantial penalty from Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, and Hawaii Permanente Medical Group, for improper Medicaid claims.

A Kaiser-Hawaii employee alleged that an employee in the dermatology department had treated patients without first obtaining a required state license. The Medicaid Fraud Control Unit confirmed that the employee provided services between May 16, 1984 and December 31, 2001, and that the nature of the services required licensure as a physician's assistant. The employee who provided the treatment was not licensed as a physician's assistant; nevertheless, Kaiser-Hawaii billed the state Medicaid program for services that he provided. The Medicaid Fraud Control Unit also found that Kaiser-Hawaii failed to properly supervise the treatments. The investigation

did not reveal any evidence of improper care, substandard treatment, or injury to Kaiser-Hawaii patients. Kaiser-Hawaii cooperated in the State's investigation.

The reporting employee filed suit in federal court under federal and state false claim acts. The reporting employee will share in the recovery and will receive \$225,000 of the \$900,000 for informing the State of Kaiser-Hawaii's transgression.

The state Medicaid program, MedQUEST, will receive \$115,379 for claims made based on services provided by the unlicensed service provider. The Medicaid Investigations Recovery Fund will receive a penalty of \$559,621 that will be used to fund future investigations.

Under the settlement, Kaiser-Hawaii is obligated to immediately bring its operations into conformance with federal compliance decrees or suffer additional penalties.

Attorney General Bennett encourages those with information about fraudulent activity involving Medicaid or Medicare providers to contact the Medicaid Fraud Control Unit at (808) 586-1058.

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For more information, contact:
Christopher D.W. Young
Supervising Deputy Attorney General
Criminal Justice Division
(808) 586-1169