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# A BILL FOR AN ACT

RELATING TO INTELLECTUAL AND DEVELOPMENTAL DISABILITIES MEDICAID  
WAIVER ADMINISTRATIVE CLAIMING SPECIAL FUND.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The department of health developmental  
2 disabilities division is the operating agency for the Hawaii  
3 medicaid section 1915(c) home and community-based services for  
4 people with intellectual and developmental disabilities waiver.  
5 The department of health operates the waiver pursuant to a  
6 memorandum of understanding with the department of human  
7 services, which is the state medicaid agency supervising the  
8 administration of the waiver. Therefore, the department of  
9 health can claim allowable medicaid federal financial  
10 participation for the proper and necessary costs incurred by the  
11 department in administering the waiver. Administrative claiming  
12 has become increasingly important to defray the rising costs to  
13 states for administration of medicaid programs. To date, the  
14 department of health has conducted minimal administrative  
15 claiming, and without a special fund in which to deposit, and  
16 from which to draw, federal financial participation for



1 operating the medicaid section 1915(c) home and community-based  
2 services for people with intellectual and developmental  
3 disabilities waiver, the department will lack a fund that is  
4 necessary to ensure the proper and efficient administration of  
5 the waiver and the growing federal requirements for community  
6 integration, quality, and accountability.

7       The requirements of operating the waiver are specified in  
8 the State's waiver application approved by the federal Centers  
9 for Medicare and Medicaid Services. Through the delegated  
10 functions, the department must assure the health and welfare of  
11 waiver participants, coordinate services, and ensure service  
12 quality. Specific requirements for the operating authority  
13 include completing initial intake for new waiver applicants,  
14 completing annual re-determinations of level of care for  
15 continued eligibility, performing fiscal oversight to ensure  
16 that waiver enrollment and expenditures are managed against  
17 federally-approved limits, implementing person-centered planning  
18 processes, developing and monitoring participant individualized  
19 service plans, pre-authorizing waiver services, managing  
20 utilization, enrolling qualified providers, monitoring  
21 providers, establishing a statewide rate methodology, developing



1 policies and procedures for operating the waiver subject to  
2 department of human services approval, and implementing quality  
3 assurance and improvement activities for required performance  
4 measures. The department is contracting to develop a new  
5 information technology system to assist case managers manage  
6 information and provide analytics. Many of the activities  
7 performed by department staff or contracted entities can be  
8 claimed as administrative costs.

9 Therefore, the purpose of this Act is to create a special  
10 fund for administering the section 1915(c) home and community-  
11 based services for people with intellectual and developmental  
12 disabilities waiver.

13 SECTION 2. Chapter 333F, Hawaii Revised Statutes, is  
14 amended by adding a new section to be appropriately designated  
15 and to read as follows:

16 **§333F- Intellectual and developmental disabilities**  
17 **medicaid waiver administrative claiming special fund.** (a)

18 There is established in the treasury of the State the  
19 intellectual and developmental disabilities medicaid waiver  
20 administrative claiming special fund, to be administered by the  
21 department, into which shall be deposited:



- 1        (1) All revenues from medicaid administrative claiming  
2                    designated for the department that are allowable for  
3                    operating the Hawaii section 1915(c) home and  
4                    community-based services for people with intellectual  
5                    and developmental disabilities waiver;
- 6        (2) Appropriations made by the legislature to the fund;  
7        (3) Other grants and gifts made to the fund; and  
8        (4) Any income and capital gains earned by the fund.
- 9        (b) Moneys in the intellectual and developmental  
10 disabilities medicaid waiver administrative claiming special  
11 fund shall be used by the department for the following purposes:
- 12        (1) Payment for fiscal management services of the Hawaii  
13                    section 1915(c) home and community-based services for  
14                    people with intellectual and developmental  
15                    disabilities waiver;
- 16        (2) Training of staff; waiver providers; waiver  
17                    participants, their families, and their legal  
18                    representatives; and community stakeholders;
- 19        (3) Quality management activities for operating the Hawaii  
20                    section 1915(c) home and community-based services for



- 1           people with intellectual and developmental  
2           disabilities waiver;  
3       (4) Ongoing operations and maintenance of the information  
4           technology system;  
5       (5) Conducting rate methodology studies to define rates  
6           for the Hawaii section 1915(c) home and community-  
7           based services for people with intellectual and  
8           developmental disabilities waiver; and  
9       (6) Assessment services for determining participants'  
10           level of support needs.

11       (c) The department shall submit to the legislature no  
12 later than twenty days prior to the convening of each regular  
13 session a written annual report that provides an accounting of  
14 the receipts of and expenditures from the intellectual and  
15 developmental disabilities medicaid waiver administrative  
16 claiming special fund."

17       SECTION 3. Section 36-27, Hawaii Revised Statutes, is  
18 amended by amending subsection (a) to read as follows:

19       "(a) Except as provided in this section, and  
20 notwithstanding any other law to the contrary, from time to  
21 time, the director of finance, for the purpose of defraying the



1 prorated estimate of central service expenses of government in  
2 relation to all special funds, except the:

- 3 (1) Special out-of-school time instructional program fund  
4 under section 302A-1310;
- 5 (2) School cafeteria special funds of the department of  
6 education;
- 7 (3) Special funds of the University of Hawaii;
- 8 (4) State educational facilities improvement special fund;
- 9 (5) Convention center enterprise special fund under  
10 section 201B-8;
- 11 (6) Special funds established by section 206E-6;
- 12 (7) Aloha Tower fund created by section 206J-17;
- 13 (8) Funds of the employees' retirement system created by  
14 section 88-109;
- 15 (9) Hawaii hurricane relief fund established under chapter  
16 431P;
- 17 (10) Hawaii health systems corporation special funds and  
18 the subaccounts of its regional system boards;
- 19 (11) Tourism special fund established under section 201B-  
20 11;



- 1 (12) Universal service fund established under section 269-  
2 42;
- 3 (13) Emergency and budget reserve fund under section 328L-  
4 3;
- 5 (14) Public schools special fees and charges fund under  
6 section 302A-1130;
- 7 (15) Sport fish special fund under section 187A-9.5;
- 8 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 9 [+](17)[+] Glass advance disposal fee established by section  
10 342G-82;
- 11 [+](18)[+] Center for nursing special fund under section 304A-  
12 2163;
- 13 [+](19)[+] Passenger facility charge special fund established  
14 by section 261-5.5;
- 15 [+](20)[+] Solicitation of funds for charitable purposes  
16 special fund established by section 467B-15;
- 17 [+](21)[+] Land conservation fund established by section 173A-  
18 5;
- 19 [+](22)[+] Court interpreting services revolving fund under  
20 section 607-1.5;
- 21 [+](23)[+] Trauma system special fund under section 321-22.5;



- 1    [+] (24) [+] Hawaii cancer research special fund;
- 2    [+] (25) [+] Community health centers special fund;
- 3    [+] (26) [+] Emergency medical services special fund;
- 4    [+] (27) [+] Rental motor vehicle customer facility charge
- 5           special fund established under section 261-5.6;
- 6    [+] (28) [+] Shared services technology special fund under
- 7           section 27-43;
- 8    [+] (29) [+] Automated victim information and notification system
- 9           special fund established under section 353-136;
- 10   [+] (30) [+] Deposit beverage container deposit special fund
- 11           under section 342G-104;
- 12   [+] (31) [+] Hospital sustainability program special fund under
- 13           [+]section 346G-4[+];
- 14   [+] (32) [+] Nursing facility sustainability program special fund
- 15           under [+]section 346F-4[+];
- 16   [+] (33) [+] Hawaii 3R's school improvement fund under section
- 17           302A-1502.4;
- 18   [+] (34) [+] After-school plus program revolving fund under
- 19           section 302A-1149.5; ~~and~~
- 20    [+] (35) [+] Civil monetary penalty special fund under section
- 21           321-30.2[~~r~~]; and





1        (36) Intellectual and developmental disabilities medicaid  
2                    waiver administrative claiming special fund under  
3                    section 333F- ,  
4 shall deduct five per cent of all receipts of all other special  
5 funds, which deduction shall be transferred to the general fund  
6 of the State and become general realizations of the State. All  
7 officers of the State and other persons having power to allocate  
8 or disburse any special funds shall cooperate with the director  
9 in effecting these transfers. To determine the proper revenue  
10 base upon which the central service assessment is to be  
11 calculated, the director shall adopt rules pursuant to chapter  
12 91 for the purpose of suspending or limiting the application of  
13 the central service assessment of any fund. No later than  
14 twenty days prior to the convening of each regular session of  
15 the legislature, the director shall report all central service  
16 assessments made during the preceding fiscal year."

17        SECTION 4. Section 36-30, Hawaii Revised Statutes, is  
18 amended by amending subsection (a) to read as follows:

19        "(a) Each special fund, except the:

20            (1) Special out-of-school time instructional program fund  
21                    under section 302A-1310;



- 1           (2) School cafeteria special funds of the department of  
2           education;
- 3           (3) Special funds of the University of Hawaii;
- 4           (4) State educational facilities improvement special fund;
- 5           (5) Special funds established by section 206E-6;
- 6           (6) Aloha Tower fund created by section 206J-17;
- 7           (7) Funds of the employees' retirement system created by  
8           section 88-109;
- 9           (8) Hawaii hurricane relief fund established under chapter  
10          431P;
- 11          (9) Convention center enterprise special fund established  
12          under section 201B-8;
- 13          (10) Hawaii health systems corporation special funds and  
14          the subaccounts of its regional system boards;
- 15          (11) Tourism special fund established under section 201B-  
16          11;
- 17          (12) Universal service fund established under section 269-  
18          42;
- 19          (13) Emergency and budget reserve fund under section 328L-  
20          3;



- 1 (14) Public schools special fees and charges fund under  
2 section 302A-1130;
- 3 (15) Sport fish special fund under section 187A-9.5;
- 4 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 5 [+](17)[+] Center for nursing special fund under section 304A-  
6 2163;
- 7 [+](18)[+] Passenger facility charge special fund established  
8 by section 261-5.5;
- 9 [+](19)[+] Court interpreting services revolving fund under  
10 section 607-1.5;
- 11 [+](20)[+] Trauma system special fund under section 321-22.5;
- 12 [+](21)[+] Hawaii cancer research special fund;
- 13 [+](22)[+] Community health centers special fund;
- 14 [+](23)[+] Emergency medical services special fund;
- 15 [+](24)[+] Rental motor vehicle customer facility charge  
16 special fund established under section 261-5.6;
- 17 [+](25)[+] Shared services technology special fund under  
18 section 27-43;
- 19 [+](26)[+] Nursing facility sustainability program special fund  
20 established pursuant to [+](26)[+]section 346F-4[+];



1    [+] (27) [+] Automated victim information and notification system  
2                   special fund established under section 353-136;  
3    [+] (28) [+] Hospital sustainability program special fund under  
4                   [+] section 346G-4[+]; ~~and~~  
5    + ] (29) [+] Civil monetary penalty special fund under section  
6                   321-30.2[~~7~~]; and  
7    (30) Intellectual and developmental disabilities medicaid  
8                   waiver administrative claiming special fund under  
9                   section 333F- ,

10 shall be responsible for its pro rata share of the  
11 administrative expenses incurred by the department responsible  
12 for the operations supported by the special fund concerned."

13       SECTION 5. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$                   or so  
15 much thereof as may be necessary for fiscal year 2018-2019 to be  
16 deposited into the intellectual and developmental disabilities  
17 medicaid waiver administrative claiming special fund.

18       SECTION 6. There is appropriated out of the intellectual  
19 and developmental disabilities medicaid waiver administrative  
20 claiming special fund the sum of \$                   or so much thereof  
21 as may be necessary for fiscal year 2018-2019 to be used in



1 support of individuals with intellectual and developmental  
2 disabilities.

3 The sum appropriated shall be expended by the department of  
4 health for the purposes of this Act.

5 SECTION 7. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 8. This Act shall take effect on July 1, 2050.



**Report Title:**

DOH; Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund; Appropriation

**Description:**

Creates the intellectual and developmental disabilities medicaid waiver administrative claiming special fund into which federal moneys may be deposited from the Department of Health's participation in the waiver program. Appropriates funds to support individuals with intellectual and developmental disabilities. Effective 7/1/2050. (SD2)

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