A BILL FOR AN ACT

RELATING TO ESTABLISHING THE EXECUTIVE OFFICE ON AGING ADMINISTRATIVE CLAIMING SPECIAL FUND.

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

SECTION 1. Federal financial participation under Medicaid is a percentage of state expenditures that can be reimbursed by the federal government to pay for administrative and program costs of state agencies or other entities that provide long-term services and supports to Medicaid clients. In Hawaii, the executive office on aging and the aging and disability resource centers are eligible for federal financial participation because they spend money on administrative functions to provide long-term services and supports to Medicaid clients. If the executive office on aging and the aging and disability resource centers were to receive their share of federal financial participation for administrative costs, they would be able to expand their programs and services and serve more individuals. Furthermore, if federal financial participation could be directly deposited into a special fund established in the executive office on aging, funds could be easily distributed to
the aging and disability resource centers to support the work
they were established to perform pursuant to section 349-32,
Hawaii Revised Statutes.

The State is currently not receiving federal funds it is
eligible to receive. It is estimated that the annual federal
financial participation claims for the executive office on aging
and the four aging and disability resource centers would equal
$1,283,000 in state fiscal year 2018-2019, $1,443,000 in state
fiscal year 2019-2020, $1,686,000 in state fiscal year 2020-
2021, $1,887,000 in state fiscal year 2021-2022, and $2,036,000
in state fiscal year 2022-2023. According to the Administration
for Community Living of the United States Department of Health
and Human Services, most states claim between $500,000 to
$2,000,000 per year.

The purpose of this Act is to establish the executive
office on aging administrative claiming special fund to enhance
the drawdown of anticipated federal funds and provide additional
moneys to support services for kupuna and individuals with
disabilities who need long term services and supports.

SECTION 2. Chapter 349, Hawaii Revised Statutes, is
amended by adding a new section to be appropriately designated
and to read as follows:
Executive office on aging administrative claiming special fund. (a) There is established in the state treasury the executive office on aging administrative claiming special fund. The fund shall be administered and expended by the department of health. The fund shall consist of:

1. All revenues from medicaid administrative claiming designated for the department of health that are allowable for operating the aging and disabilities resource centers;
2. Appropriations made by the legislature to the fund; and
3. Grants and gifts made to the fund.

(b) Moneys in the executive office on aging administrative claiming special fund shall be used by the department of health to implement section 349-32 for services for kupuna and individuals with disabilities who need long-term services and supports."

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

"(a) Except as provided in this section, and notwithstanding any other law to the contrary, from time to time, the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the:

1. Special out-of-school time instructional program fund"
under section 302A-1310;

(2) School cafeteria special funds of the department of education;

(3) Special funds of the University of Hawaii;

(4) State educational facilities improvement special fund;

(5) Convention center enterprise special fund under section 201B-8;

(6) Special funds established by section 206E-6;

(7) Aloha Tower fund created by section 206J-17;

(8) Funds of the employees' retirement system created by section 88-109;

(9) Hawaii hurricane relief fund established under chapter 431P;

(10) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;

(11) Tourism special fund established under section 201B-11;

(12) Universal service fund established under section 269-42;

(13) Emergency and budget reserve fund under section 328L-3;

(14) Public schools special fees and charges fund under section 302A-1130;

(15) Sport fish special fund under section 187A-9.5;

[f] (16) [f] Neurotrauma special fund under section 321H-4;
H.B. NO. 1012

1. [¶](17) Glass advance disposal fee established by section 342G-82;
2. [¶](18) Center for nursing special fund under section 304A-2163;
3. [¶](19) Passenger facility charge special fund established by section 261-5.5;
4. [¶](20) Solicitation of funds for charitable purposes special fund established by section 467B-15;
5. [¶](21) Land conservation fund established by section 173A-5;
6. [¶](22) Court interpreting services revolving fund under section 607-1.5;
7. [¶](23) Trauma system special fund under section 321-22.5;
8. [¶](24) Hawaii cancer research special fund;
9. [¶](25) Community health centers special fund;
10. [¶](26) Emergency medical services special fund;
11. [¶](27) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
12. [¶](28) Shared services technology special fund under section 27-43;
13. [¶](29) Automated victim information and notification system special fund established under section 353-136;
14. [¶](30) Deposit beverage container deposit special fund under section 342G-104;
15. [¶](31) Hospital sustainability program special fund under
[+] section 346G-4[+];

[+] (32)[+] Nursing facility sustainability program special fund under [+] section 346F-4[+];

[+] (33)[+] Hawaii 3R's school improvement fund under section 302A-1502.4;

[+] (34)[+] After-school plus program revolving fund under section 302A-1149.5; [and]

[+] (35)[+] Civil monetary penalty special fund under section 321-30.2[+]; and

(36) Executive office on aging administrative claiming special fund under section 349-

shall deduct five per cent of all receipts of all other special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year."
SECTION 4. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Each special fund, except the:

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

(2) School cafeteria special funds of the department of education;

(3) Special funds of the University of Hawaii;

(4) State educational facilities improvement special fund;

(5) Special funds established by section 206E-6;

(6) Aloha Tower fund created by section 206J-17;

(7) Funds of the employees' retirement system created by section 88-109;

(8) Hawaii hurricane relief fund established under chapter 431P;

(9) Convention center enterprise special fund established under section 201B-8;

(10) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;

(11) Tourism special fund established under section 201B-11;

(12) Universal service fund established under section 269-42;

(13) Emergency and budget reserve fund under section 328L-3;
(14) Public schools special fees and charges fund under section 302A-1130;
(15) Sport fish special fund under section 187A-9.5;
(16) Neurotrauma special fund under section 321H-4;
(17) Center for nursing special fund under section 304A-2163;
(18) Passenger facility charge special fund established by section 261-5.5;
(19) Court interpreting services revolving fund under section 607-1.5;
(20) Trauma system special fund under section 321-22.5;
(21) Hawaii cancer research special fund;
(22) Community health centers special fund;
(23) Emergency medical services special fund;
(24) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
(25) Shared services technology special fund under section 27-43;
(26) Nursing facility sustainability program special fund established pursuant to section 346F-4;
(27) Automated victim information and notification system special fund established under section 353-136;
(28) Hospital sustainability program special fund under section 346G-4; and
(29) Civil monetary penalty special fund under section

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321-30.2[\(T\)]; and

(30) Executive office on aging administrative claiming
special fund under section 349-__,
shall be responsible for its pro rata share of the
administrative expenses incurred by the department responsible
for the operations supported by the special fund concerned."

SECTION 5. There is appropriated out of the executive
office on aging administrative claiming special fund the sum of
$__________ or so much thereof as may be necessary for fiscal
year 2019-2020 for services for kupuna and individuals with
disabilities who need long-term services and supports.

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

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

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

INTRODUCED BY: ____________

BY REQUEST

JAN 22 2019
Report Title:
Executive Office on Aging; Special Fund; Medicaid

Description:
Creates the Executive Office on Aging Administrative Claiming Special Fund to enhance the drawdown of federal funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.
DEPARTMENT: HEALTH

TITLE: A BILL FOR AN ACT RELATING TO ESTABLISHING THE EXECUTIVE OFFICE ON AGING ADMINISTRATIVE CLAIMING SPECIAL FUND.

PURPOSE: To capture new revenue based on the percentage of state expenditures to be reimbursed by the federal government for the administrative and program costs of state agencies or other entities that provide long-term services and supports to Medicaid clients, and deposit those funds into a newly created special fund to support services for kupuna and individuals with disabilities who need long-term services and supports.

MEANS: Add a new section to chapter 349, Hawaii Revised Statutes (HRS), and amend sections 36-27 and 36-30, HRS.

JUSTIFICATION: The state is currently not receiving federal financial participation funds with which the federal government reimburses state agencies or other entities for providing long-term services and supports to Medicaid clients. The executive office on aging is in the process of submitting a claim for its share of federal financial participation funds that are a percentage of state expenditures reimbursed by the federal government for administrative and program costs of the Medicaid program. Findings from a 2016 random moment time study estimated that the state may be reimbursed between $1,400,000 and $2,000,000 in federal financial participation claims for the executive office on aging and the aging and disability resource centers. A special fund is needed to deposit federal reimbursement funds so the executive office on aging can distribute...
the money to the aging and disability resource centers for services to kupuna and individuals with disabilities who need long-term services and supports.

As the funds to be deposited to the special fund are Medicaid reimbursement funds, it would be appropriate to exempt the fund from the surcharges of sections 36-27 and 36-30, HRS.

Impact on the public: Vulnerable populations may benefit from additional program moneys for direct services and supports.

Impact on the department and other agencies: This will provide the Department of Health additional moneys for services for kupuna and individuals with disabilities. If approved, the Department of Budget and Finance is required to establish the special fund.

GENERAL FUND: None.

OTHER FUNDS: Additional federal funds reimbursement may range from $500,000 to $2,000,000 annually, based on the experiences of other states.

PPBS PROGRAM DESIGNATION: HTH 970.

OTHER AFFECTED AGENCIES: Department of Budget and Finance; County Aging and Disability Resource Centers.

EFFECTIVE DATE: Upon approval.