A BILL FOR AN ACT

RELATING TO HEALTH.

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

SECTION 1. The department of health developmental disabilities division is the operating agency for the Hawaii medicaid home and community-based services for people with intellectual and developmental disabilities waiver pursuant to section 1915(c) of the Social Security Act. The department of health operates the waiver pursuant to a memorandum of agreement with the department of human services, which is the state medicaid agency supervising the administration of the waiver. Therefore, the department of health can claim allowable medicaid federal financial participation for the proper and necessary costs incurred by the department in administering the waiver. Administrative claiming has become increasingly important to defray the rising costs to states for administration of medicaid programs. To date, the department of health has conducted minimal administrative claiming, and without a special fund to deposit and use administrative federal financial participation for operating the medicaid section 1915(c) home and community-
based services for people with intellectual and developmental
disabilities waiver, the department will lack a fund to ensure
the proper and efficient administration of the waiver and the
growing federal requirements for community integration, quality,
and accountability.

The requirements of operating the waiver are specified in
the State's waiver application approved by the federal Centers
for Medicare and Medicaid Services. Through the delegated
functions, the department must ensure the health and welfare of
waiver participants, coordinate services, and ensure service
quality. Specific requirements for the operating authority
include completing initial intake for new waiver applicants,
completing annual re-determinations of level of care for
continued eligibility, performing fiscal oversight to ensure
that waiver enrollment and expenditures are managed against
federally approved limits, implementing person-centered planning
processes, developing and monitoring participant individualized
service plans, pre-authorizing waiver services, managing
utilization, enrolling qualified providers and provider
monitoring, establishing a statewide rate methodology,
developing policies and procedures for operating the waiver
subject to department of human services approval, and
implementing quality assurance and improvement activities for
required performance measures. The department is contracting to
develop a new information technology system to assist case
managers in managing information and providing analytics. Many
of the activities performed by department staff or contracted
entities can be claimed as administrative costs.

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

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

There is established in the treasury of the State the
intellectual and developmental disabilities medicaid waiver
administrative claiming special fund, into which shall be
deposited:

(1) All revenues from medicaid administrative claiming
designated for the department that are allowable for
operating the Hawaii home and community-based services
for people with intellectual and developmental
disabilities waiver pursuant to section 1915(c) of the Social Security Act;

(2) Appropriations made by the legislature to the fund;

(3) Other grants and gifts made to the fund; and

(4) Any income and capital gains earned by the fund.

(b) Moneys in the intellectual and developmental disabilities medicaid waiver administrative claiming special fund shall be used by the department for the following purposes:

(1) Payment for fiscal management services of the Hawaii home and community-based services for people with intellectual and developmental disabilities waiver pursuant to section 1915(c) of the Social Security Act;

(2) Training of staff; waiver providers; waiver participants, family members of waiver participants, legal representatives of waiver participants; and community stakeholders;

(3) Quality management activities for operating the Hawaii home and community-based services for people with intellectual and developmental disabilities waiver
pursuant to section 1915(c) of the Social Security Act;

(4) Ongoing operations and maintenance of the information technology system;

(5) Conducting rare methodology studies to define rates for the Hawaii home and community-based services for people with intellectual and developmental disabilities waiver pursuant to section 1915(c) of the Social Security Act; and

(6) Assessment services for determining each participant's level of support needs.

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

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;

(16) Neurotrauma special fund under section 321H-4;

(17) Glass advance disposal fee established by section 342G-82;

(18) Center for nursing special fund under section 304A-2163;

(19) Passenger facility charge special fund established by section 261-5.5;

(20) Solicitation of funds for charitable purposes special fund established by section 467B-15;

(21) Land conservation fund established by section 173A-5;

(22) Court interpreting services revolving fund under section 607-1.5;
[+] (23) Trauma system special fund under section 321-22.5;

[+] (24) Hawaii cancer research special fund;

[+] (25) Community health centers special fund;

[+] (26) Emergency medical services special fund;

[+] (27) Rental motor vehicle customer facility charge special fund established under section 261-5.6;

[+] (28) Shared services technology special fund under section 27-43;

[+] (29) Automated victim information and notification system special fund established under section 353-136;

[+] (30) Deposit beverage container deposit special fund under section 342G-104;

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

(36) Intellectual and developmental disabilities medicaid

wavier administrative claiming special fund under

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;
Nursing facility sustainability program special fund established pursuant to section 346F-4;
Automated victim information and notification system special fund established under section 353-136;
Hospital sustainability program special fund under section 346G-4; [and]
Civil monetary penalty special fund under section 321-30.2; and
(30) Intellectual and developmental disabilities medicaid waiver administrative claiming special fund under section 333F-

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. (a) The state council on developmental disabilities shall establish a task force to examine and evaluate the application process of the Hawaii medicaid section 1915(c) home and community-based services for people with intellectual and developmental disabilities waiver and existing services provided by the developmental disabilities division.

(b) The members of the task force shall consist of:
(1) The administrator of the developmental disabilities division of the department of health or the administrator's designee;

(2) The executive administrator of the state council on developmental disabilities or the executive administrator's designee;

(3) The executive director of the Hawaii Disability Rights Center or the executive director's designee;

(4) The chair of the senate committee on human services or the chair's designee;

(5) The chair of the senate committee on commerce, consumer protection, and health or the chair's designee;

(6) The chair of the house of representatives committee on health or the chair's designee;

(7) The chair of the house of representatives committee on human services or the chair's designee;

(8) individuals who are parents or guardians of children with developmental disabilities designated by the administrator of the developmental disabilities division; and
(9) Any individual the executive administrator of the state council on developmental disabilities deems necessary to be a member of the task force.

The members of the task force shall designate a chairperson from among themselves.

(c) The members of the task force shall serve without compensation and without reimbursement for expenses; provided that individuals designated pursuant to subsection (b)(8) may be reimbursed for reasonable expenses incurred in their duties as members of the task force.

(d) The task force shall submit a report to the legislature of its findings and recommendations, including any proposed legislation, no later than twenty days prior to the convening of the regular session of 2020.

(e) The task force shall cease to exist on June 30, 2020.

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

SECTION 7. This Act shall take effect on July 1, 2019.
Report Title:
Medicaid Waiver Administrative Claiming Special Fund; Task force

Description:
Creates the intellectual and developmental disabilities medicaid waiver administrative claiming special fund into which federal moneys may be deposited from DOH's participation in waiver program established per SSA §1915(c). Establishes task force to examine existing §1915(c) waiver application process.

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