June 7, 2019

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 June 7, 2019, the following bill was signed into law:

SB1238 SD1 HD1 CD1 RELATING TO ESTABLISHING THE EXECUTIVE OFFICE ON AGING ADMINISTRATIVE CLAIMING SPECIAL FUND.
ACT 089 (19)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai‘i
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 all 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 part I to be appropriately designated and to read as follows:
§349- 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 into which shall be deposited:

(1) All revenues from medicaid administrative claiming designated for the department of health that are allowable for operating the aging and disability resource centers;

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

and

(3) Grants and gifts made to the fund.

(b) The executive office on aging administrative claiming special fund shall be administered and expended 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. There is appropriated out of the executive office on aging administrative claiming special fund the sum of $1,443,000 or so much thereof as may be necessary for fiscal year 2019-2020 to implement section 349-32, Hawaii Revised
Statutes, 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 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2019.

APPROVED this 7 day of JUN, 2019

GOVERNOR OF THE STATE OF HAWAII
THE SENATE OF THE STATE OF HAWAI‘I

Date: April 30, 2019
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 2019.

[Signature]
President of the Senate

[Signature]
Clerk of the Senate
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAI'I

Date: April 30, 2019
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
2019.

Scott K. Saiki
Speaker
House of Representatives

Brian L. Takeshita
Chief Clerk
House of Representatives