



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 27, 2019

GOV. MSG. NO. 1267

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 27, 2019, the following bill was signed into law:

HB1273 HD1 SD1 CD1

RELATING TO HEALTH
ACT 165 (19)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO HEALTH.

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 home and community-based services waiver for persons
4 with intellectual and developmental disabilities pursuant to
5 section 1915(c) of the Social Security Act. The department of
6 health operates the waiver pursuant to a memorandum of agreement
7 with the department of human services, which is the state
8 medicaid agency supervising the administration of the waiver.
9 Therefore, the department of health can claim allowable medicaid
10 federal financial participation for the proper and necessary
11 costs incurred by the department in administering the waiver.

12 Administrative claiming has become increasingly important
13 to defray the rising costs to states for administration of
14 medicaid programs but, to date, the department of health has
15 conducted minimal administrative claiming. Without a special
16 fund for depositing moneys received from federal financial
17 participation for operating the home and community-based
18 services waiver for persons with intellectual and developmental



1 disabilities, the department lacks the infrastructure necessary
2 to ensure the proper and efficient administration of the waiver
3 and meet the growing federal requirements for community
4 integration, quality, and accountability. The moneys received
5 into this fund would come solely from medicaid administrative
6 claiming pursuant to a cost allocation plan approved by the
7 United States Department of Health and Human Services.

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



1 monitoring, establishing a statewide rate methodology,
2 developing policies and procedures for operating the waiver
3 subject to department of human services approval, and
4 implementing quality assurance and improvement activities for
5 required performance measures. The department is contracting to
6 develop a new information technology system to assist case
7 managers in managing information and providing analytics. Many
8 of the activities performed by department staff or contracted
9 entities can be claimed as administrative costs. With moneys
10 appropriated out of the special fund, the department of health
11 will be able to meet compliance requirements for the State's
12 section 1915(c) medicaid waiver for individuals with
13 intellectual and developmental disabilities.

14 The purpose of this Act is to:

15 (1) Establish the intellectual and developmental
16 disabilities medicaid waiver administrative claiming
17 special fund to allow for the deposit of federal funds
18 received as part of the State's participation in the
19 operation of home and community-based services under a
20 section 1915(c) waiver; and



1 (2) Require the department of health to work with the
 2 department of human services and other stakeholders to
 3 develop and distribute educational materials informing
 4 individuals with intellectual or developmental
 5 disabilities on how to access medicaid services and
 6 the types of medicaid services that are available.

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

10 "§333F- Intellectual and developmental disabilities
 11 medicaid waiver administrative claiming special fund. (a)

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

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



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

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

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

4 (b) Moneys in the intellectual and developmental

5 disabilities medicaid waiver administrative claiming special

6 fund shall be used by the department for the following purposes:

7 (1) Payment for fiscal management services of the Hawaii

8 home and community-based services waiver for persons

9 with intellectual and developmental disabilities

10 pursuant to section 1915(c) of the Social Security

11 Act;

12 (2) Training of staff; waiver providers; waiver

13 participants, family members of waiver participants,

14 legal representatives of waiver participants; and

15 community stakeholders;

16 (3) Quality management activities for operating the Hawaii

17 home and community-based services waiver for persons

18 with intellectual and developmental disabilities

19 pursuant to section 1915(c) of the Social Security

20 Act;



- 1 (4) Ongoing operations and maintenance of the information
2 technology system;
- 3 (5) Conducting rate methodology studies to define rates
4 for the Hawaii home and community-based services
5 waiver for persons with intellectual and developmental
6 disabilities pursuant to section 1915(c) of the Social
7 Security Act; and
- 8 (6) Assessment services for determining each participant's
9 level of support needs.
- 10 (c) The department shall submit to the legislature no
11 later than twenty days prior to the convening of each regular
12 session a report that provides an accounting of the receipts of
13 and expenditures from the intellectual and developmental
14 disabilities medicaid waiver administrative claiming special
15 fund."

16 SECTION 3. (a) The department of health shall work with
17 the department of human services and other stakeholders to
18 develop and distribute information about accessing medicaid
19 services for individuals with intellectual or developmental
20 disabilities, or both. Education and training materials may
21 also address an array of possible medicaid services for



1 individuals with intellectual disabilities, autism spectrum
2 disorders, cerebral palsy, epilepsy, and other developmental
3 disabilities, some of which are caused by fetal alcohol spectrum
4 disorders.

5 (b) The department of health shall submit a report of its
6 findings and recommendations, including any proposed
7 legislation, to the legislature no later than twenty days prior
8 to the convening of the regular session of 2020.

9 SECTION 4. There is appropriated out of the intellectual
10 and developmental disabilities medicaid waiver administrative
11 claiming special fund the sum of \$900,000 or so much thereof as
12 may be necessary for fiscal year 2019-2020 for the purposes of
13 this Act.

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

16 SECTION 5. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 2019.

APPROVED this 27 day of JUN, 2019



GOVERNOR OF THE STATE OF HAWAII



HB No. 1273, HD 1, SD 1, CD 1

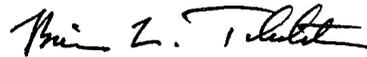
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

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

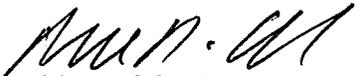


Brian L. Takeshita
Chief Clerk
House of Representatives

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.


President of the Senate


Clerk of the Senate