
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 for people with
4 intellectual and developmental disabilities waiver 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 to
13 defray the rising costs to states for administration of medicaid
14 programs. To date, the department of health has conducted
15 minimal administrative claiming, and without a special fund to
16 deposit and use administrative federal financial participation
17 for operating the medicaid section 1915(c) home and community-



1 based services for people with intellectual and developmental
2 disabilities waiver, the department will lack a fund to ensure
3 the proper and efficient administration of the waiver and the
4 growing federal requirements for community integration, quality,
5 and accountability.

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



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

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

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

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

- 17 (1) All revenues from medicaid administrative claiming
 18 designated for the department that are allowable for
 19 operating the Hawaii home and community-based services
 20 for people with intellectual and developmental



1 disabilities waiver pursuant to section 1915(c) of the
2 Social Security Act;

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

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

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

6 (b) Moneys in the intellectual and developmental

7 disabilities medicaid waiver administrative claiming special
8 fund shall be used by the department for the following purposes:

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

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

18 (3) Quality management activities for operating the Hawaii
19 home and community-based services for people with
20 intellectual and developmental disabilities waiver



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

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

20 "(a) Except as provided in this section, and
21 notwithstanding any other law to the contrary, from time to



1 time, the director of finance, for the purpose of defraying the
2 prorated estimate of central service expenses of government in
3 relation to all special funds, except the:

- 4 (1) Special out-of-school time instructional program fund
5 under section 302A-1310;
- 6 (2) School cafeteria special funds of the department of
7 education;
- 8 (3) Special funds of the University of Hawaii;
- 9 (4) State educational facilities improvement special fund;
- 10 (5) Convention center enterprise special fund under
11 section 201B-8;
- 12 (6) Special funds established by section 206E-6;
- 13 (7) Aloha Tower fund created by section 206J-17;
- 14 (8) Funds of the employees' retirement system created by
15 section 88-109;
- 16 (9) Hawaii hurricane relief fund established under chapter
17 431P;
- 18 (10) Hawaii health systems corporation special funds and
19 the subaccounts of its regional system boards;
- 20 (11) Tourism special fund established under section 201B-
21 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
- 12 304A-2163;
- 13 [+] (19) [+] Passenger facility charge special fund
- 14 established 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
- 18 173A-5;
- 19 [+] (22) [+] Court interpreting services revolving fund under
- 20 section 607-1.5;



- 1 [+] (23) [+] Trauma system special fund under section 321-
2 22.5;
- 3 [+] (24) [+] Hawaii cancer research special fund;
- 4 [+] (25) [+] Community health centers special fund;
- 5 [+] (26) [+] Emergency medical services special fund;
- 6 [+] (27) [+] Rental motor vehicle customer facility charge
7 special fund established under section 261-5.6;
- 8 [+] (28) [+] Shared services technology special fund under
9 section 27-43;
- 10 [+] (29) [+] Automated victim information and notification
11 system special fund established under section 353-136;
- 12 [+] (30) [+] Deposit beverage container deposit special fund
13 under section 342G-104;
- 14 [+] (31) [+] Hospital sustainability program special fund
15 under [+]section 346G-4[+];
- 16 [+] (32) [+] Nursing facility sustainability program special
17 fund under [+]section 346F-4[+];
- 18 [+] (33) [+] Hawaii 3R's school improvement fund under section
19 302A-1502.4;
- 20 [+] (34) [+] After-school plus program revolving fund under
21 section 302A-1149.5; [and]



1 [+] (35) [+] Civil monetary penalty special fund under section
2 321-30.2 [7]; and
3 (36) Intellectual and developmental disabilities medicaid
4 wavier administrative claiming special fund under
5 section 333F- ,
6 shall deduct five per cent of all receipts of all other special
7 funds, which deduction shall be transferred to the general fund
8 of the State and become general realizations of the State. All
9 officers of the State and other persons having power to allocate
10 or disburse any special funds shall cooperate with the director
11 in effecting these transfers. To determine the proper revenue
12 base upon which the central service assessment is to be
13 calculated, the director shall adopt rules pursuant to chapter
14 91 for the purpose of suspending or limiting the application of
15 the central service assessment of any fund. No later than
16 twenty days prior to the convening of each regular session of
17 the legislature, the director shall report all central service
18 assessments made during the preceding fiscal year."

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

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



- 1 (1) Special out-of-school time instructional program fund
- 2 under section 302A-1310;
- 3 (2) School cafeteria special funds of the department of
- 4 education;
- 5 (3) Special funds of the University of Hawaii;
- 6 (4) State educational facilities improvement special fund;
- 7 (5) Special funds established by section 206E-6;
- 8 (6) Aloha Tower fund created by section 206J-17;
- 9 (7) Funds of the employees' retirement system created by
- 10 section 88-109;
- 11 (8) Hawaii hurricane relief fund established under chapter
- 12 431P;
- 13 (9) Convention center enterprise special fund established
- 14 under section 201B-8;
- 15 (10) Hawaii health systems corporation special funds and
- 16 the subaccounts of its regional system boards;
- 17 (11) Tourism special fund established under section 201B-
- 18 11;
- 19 (12) Universal service fund established under section 269-
- 20 42;



- 1 (13) Emergency and budget reserve fund under section 328L-
- 2 3;
- 3 (14) Public schools special fees and charges fund under
- 4 section 302A-1130;
- 5 (15) Sport fish special fund under section 187A-9.5;
- 6 [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 7 [+] (17) [+] Center for nursing special fund under section
- 8 304A-2163;
- 9 [+] (18) [+] Passenger facility charge special fund
- 10 established by section 261-5.5;
- 11 [+] (19) [+] Court interpreting services revolving fund under
- 12 section 607-1.5;
- 13 [+] (20) [+] Trauma system special fund under section 321-
- 14 22.5;
- 15 [+] (21) [+] Hawaii cancer research special fund;
- 16 [+] (22) [+] Community health centers special fund;
- 17 [+] (23) [+] Emergency medical services special fund;
- 18 [+] (24) [+] Rental motor vehicle customer facility charge
- 19 special fund established under section 261-5.6;
- 20 [+] (25) [+] Shared services technology special fund under
- 21 section 27-43;



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

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

15 SECTION 5. (a) The state council on developmental
16 disabilities shall establish a task force to examine and
17 evaluate the application process of the Hawaii medicaid section
18 1915(c) home and community-based services for people with
19 intellectual and developmental disabilities waiver and existing
20 services provided by the developmental disabilities division.

21 (b) The members of the task force shall consist of:



- 1 (1) The administrator of the developmental disabilities
2 division of the department of health or the
3 administrator's designee;
- 4 (2) The executive administrator of the state council on
5 developmental disabilities or the executive
6 administrator's designee;
- 7 (3) The executive director of the Hawaii Disability Rights
8 Center or the executive director's designee;
- 9 (4) The chair of the senate committee on human services or
10 the chair's designee;
- 11 (5) The chair of the senate committee on commerce,
12 consumer protection, and health or the chair's
13 designee;
- 14 (6) The chair of the house of representatives committee on
15 health or the chair's designee;
- 16 (7) The chair of the house of representatives committee on
17 human services or the chair's designee;
- 18 (8) individuals who are parents or guardians of
19 children with developmental disabilities designated by
20 the administrator of the developmental disabilities
21 division; and



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1 (9) Any individual the executive administrator of the
 2 state council on developmental disabilities deems
 3 necessary to be a member of the task force.

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

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

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

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

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

18 SECTION 7. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

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H.B. NO. 1273

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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