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 waiver for persons with intellectual and developmental disabilities 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 but, to date, the department of health has conducted minimal administrative claiming. Without a special fund for depositing moneys received from federal financial participation for operating the home and community-based services waiver for persons with intellectual and developmental
disabilities, the department lacks the infrastructure necessary
to ensure the proper and efficient administration of the waiver
and meet the growing federal requirements for community
integration, quality, and accountability. The moneys received
into this fund would come solely from medicaid administrative
claiming pursuant to a cost allocation plan approved by the
United States Department of Health and Human Services.

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. With moneys
appropriated out of the special fund, the department of health
will be able to meet compliance requirements for the State's
section 1915(c) medicaid waiver for individuals with
intellectual and developmental disabilities.

The purpose of this Act is to:

(1) Establish the intellectual and developmental
disabilities medicaid waiver administrative claiming
special fund to allow for the deposit of federal funds
received as part of the State's participation in the
operation of home and community-based services under a
section 1915(c) waiver; and
(2) Require the department of health to work with the
department of human services and other stakeholders to
develop and distribute educational materials informing
individuals with intellectual or developmental
disabilities on how to access medicaid services and
the types of medicaid services that are available.

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
waiver for persons with intellectual and developmental
disabilities 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 waiver for persons
with intellectual and developmental disabilities
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 waiver for persons
with intellectual and developmental disabilities
pursuant to section 1915(c) of the Social Security
Act;
(4) Ongoing operations and maintenance of the information technology system;

(5) Conducting rate methodology studies to define rates for the Hawaii home and community-based services waiver for persons with intellectual and developmental disabilities 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. (a) The department of health shall work with the department of human services and other stakeholders to develop and distribute information about accessing medicaid services for individuals with intellectual or developmental disabilities, or both. Education and training materials may also address an array of possible medicaid services for
individuals with intellectual disabilities, autism spectrum
disorders, cerebral palsy, epilepsy, and other developmental
disabilities, some of which are caused by fetal alcohol spectrum
disorders.

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

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

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

SECTION 5. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2019.
Report Title:
Medicaid Waiver Administrative Claiming Special Fund; Appropriation

Description:
Creates the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund to capture federal moneys resulting from DOH's participation in the SSA §1915(c) waiver program. Requires DOH and DHS to work with stakeholders to develop and distribute information about accessing Medicaid services for individuals with intellectual and developmental disabilities. (HB1273 CD1)

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