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# 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



1 services waiver for persons with intellectual and developmental  
2 disabilities, the department lacks the infrastructure necessary  
3 to ensure the proper and efficient administration of the waiver  
4 and meet the growing federal requirements for community  
5 integration, quality, 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 waiver for persons with intellectual and developmental



- 1           disabilities pursuant to section 1915(c) of the Social  
2           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 waiver for persons  
11           with intellectual and developmental disabilities  
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 waiver for persons  
20           with intellectual and developmental disabilities



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 rate methodology studies to define rates  
6           for the Hawaii home and community-based services  
7           waiver for persons with intellectual and developmental  
8           disabilities pursuant to section 1915(c) of the Social  
9           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 waiver 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  
21 201B-11;



- 1 (12) Universal service fund established under section  
2 269-42;
- 3 (13) Emergency and budget reserve fund under section  
4 328L-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) [+](16) Neurotrauma special fund under section 321H-4;
- 9 [+](17) [+](17) Glass advance disposal fee established by section  
10 342G-82;
- 11 [+](18) [+](18) Center for nursing special fund under section  
12 304A-2163;
- 13 [+](19) [+](19) Passenger facility charge special fund established by  
14 section 261-5.5;
- 15 [+](20) [+](20) Solicitation of funds for charitable purposes special  
16 fund established by section 467B-15;
- 17 [+](21) [+](21) Land conservation fund established by section 173A-5;
- 18 [+](22) [+](22) Court interpreting services revolving fund under  
19 section 607-1.5;
- 20 [+](23) [+](23) Trauma system special fund under section 321-22.5;
- 21 [+](24) [+](24) Hawaii cancer research special fund;



- 1 [+] (25) [+] Community health centers special fund;
- 2 [+] (26) [+] Emergency medical services special fund;
- 3 [+] (27) [+] Rental motor vehicle customer facility charge special  
4 fund established under section 261-5.6;
- 5 [+] (28) [+] Shared services technology special fund under section  
6 27-43;
- 7 [+] (29) [+] Automated victim information and notification system  
8 special fund established under section 353-136;
- 9 [+] (30) [+] Deposit beverage container deposit special fund under  
10 section 342G-104;
- 11 [+] (31) [+] Hospital sustainability program special fund under  
12 [+] section 346G-4 [+] ;
- 13 [+] (32) [+] Nursing facility sustainability program special fund  
14 under [+] section 346F-4 [+] ;
- 15 [+] (33) [+] Hawaii 3R's school improvement fund under section  
16 302A-1502.4;
- 17 [+] (34) [+] After-school plus program revolving fund under section  
18 302A-1149.5; ~~and~~
- 19 [+] (35) [+] Civil monetary penalty special fund under section  
20 321-30.2 ~~[7]~~ ; and





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

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

19        "(a) Each special fund, except the:  
20        (1) Special out-of-school time instructional program fund  
21        under section 302A-1310;



- 1           (2) School cafeteria special funds of the department of  
2           education;
- 3           (3) Special funds of the University of Hawaii;
- 4           (4) State educational facilities improvement special fund;
- 5           (5) Special funds established by section 206E-6;
- 6           (6) Aloha Tower fund created by section 206J-17;
- 7           (7) Funds of the employees' retirement system created by  
8           section 88-109;
- 9           (8) Hawaii hurricane relief fund established under chapter  
10          431P;
- 11          (9) Convention center enterprise special fund established  
12          under section 201B-8;
- 13          (10) Hawaii health systems corporation special funds and  
14          the subaccounts of its regional system boards;
- 15          (11) Tourism special fund established under section  
16          201B-11;
- 17          (12) Universal service fund established under section  
18          269-42;
- 19          (13) Emergency and budget reserve fund under section  
20          328L-3;



- 1 (14) Public schools special fees and charges fund under  
2 section 302A-1130;
- 3 (15) Sport fish special fund under section 187A-9.5;
- 4 [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 5 [+] (17) [+] Center for nursing special fund under section  
6 304A-2163;
- 7 [+] (18) [+] Passenger facility charge special fund established by  
8 section 261-5.5;
- 9 [+] (19) [+] Court interpreting services revolving fund under  
10 section 607-1.5;
- 11 [+] (20) [+] Trauma system special fund under section 321-22.5;
- 12 [+] (21) [+] Hawaii cancer research special fund;
- 13 [+] (22) [+] Community health centers special fund;
- 14 [+] (23) [+] Emergency medical services special fund;
- 15 [+] (24) [+] Rental motor vehicle customer facility charge special  
16 fund established under section 261-5.6;
- 17 [+] (25) [+] Shared services technology special fund under section  
18 27-43;
- 19 [+] (26) [+] Nursing facility sustainability program special fund  
20 established pursuant to [+] section 346F-4[+];



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

3 [+](28) [+]Hospital sustainability program special fund under  
4 [+]section 346G-4 [+]; [and

5 [+](29) [+]Civil monetary penalty special fund under section  
6 321-30.2[7]; and

7 (30) Intellectual and developmental disabilities medicaid  
8 waiver administrative claiming special fund under  
9 section 333F- ,

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

13 SECTION 5. (a) The department of health shall work with  
14 the department of human services and other stakeholders to  
15 develop and distribute information about accessing medicaid  
16 services for individuals with intellectual or developmental  
17 disabilities, or both. Education and training materials may  
18 also address an array of possible medicaid services for  
19 individuals with intellectual disabilities, autism spectrum  
20 disorders, cerebral palsy, epilepsy, and other developmental



1 disabilities, some of which are caused by fetal alcohol spectrum  
2 disorders.

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

7 SECTION 6. There is appropriated out of the intellectual  
8 and developmental disabilities medicaid waiver administrative  
9 claiming special fund the sum of \$ or so much thereof  
10 as may be necessary for fiscal year 2020-2021 for the purposes  
11 of this Act.

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

14 SECTION 7. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 8. This Act shall take effect on July 1, 2050.



**Report Title:**

Medicaid Waiver Administrative Claiming Special Fund;  
Appropriation

**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 the waiver program established per SSA §1915(c). Requires the Department of Health and Department of Human Services to work with stakeholders to develop and distribute information about accessing Medicaid services for individuals with intellectual and developmental disabilities. Appropriates funds. Effective 7/1/2050. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

