
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 section 1915(c) Home and Community-Based Services for
4 People with Intellectual and Developmental Disabilities waiver.
5 The department of health operates the waiver pursuant to a
6 memorandum of agreement with the department of human services,
7 which is the state medicaid agency supervising the
8 administration of the waiver. Therefore, the department of
9 health can claim allowable medicaid federal financial
10 participation for the proper and necessary costs incurred by the
11 department in administering the waiver. Administrative claiming
12 has become increasingly important to defray the rising costs to
13 states for administration of medicaid programs. To date, the
14 department of health has conducted minimal administrative
15 claiming, and without a special fund to deposit and use
16 administrative federal financial participation for operating the
17 medicaid section 1915(c) Home and Community-Based Services for



1 People with Intellectual and Developmental Disabilities waiver,
2 the department will lack a fund to ensure the proper and
3 efficient administration of the waiver and the growing federal
4 requirements for community integration, quality, and
5 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 assure 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 section 1915(c) home and
20 community-based services for people with intellectual
21 and developmental disabilities waiver;



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 section 1915(c) home and community-based services for
9 people with intellectual and developmental
10 disabilities waiver;

11 (2) Training of staff; waiver providers; waiver
12 participants, their families, and their legal
13 representatives; and community stakeholders;

14 (3) Quality management activities for operating the Hawaii
15 section 1915(c) home and community-based services for
16 people with intellectual and developmental
17 disabilities waiver;

18 (4) Ongoing operations and maintenance of the information
19 technology system;

20 (5) Conducting rate methodology studies to define rates
21 for the Hawaii section 1915(c) home and community-



1 based services for people with intellectual and
2 developmental disabilities waiver; and

3 (6) Assessment services for determining participant's
4 level of support needs.

5 (c) The department shall submit to the legislature no
6 later than twenty days prior to the convening of each regular
7 session a written annual report that provides an accounting of
8 the receipts of and expenditures from the intellectual and
9 developmental disabilities medicaid waiver administrative
10 claiming special fund."

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

13 "(a) Except as provided in this section, and
14 notwithstanding any other law to the contrary, from time to
15 time, the director of finance, for the purpose of defraying the
16 prorated estimate of central service expenses of government in
17 relation to all special funds, except the:

18 (1) Special out-of-school time instructional program fund
19 under section 302A-1310;

20 (2) School cafeteria special funds of the department of
21 education;



- 1 (3) Special funds of the University of Hawaii;
- 2 (4) State educational facilities improvement special fund;
- 3 (5) Convention center enterprise special fund under
- 4 section 201B-8;
- 5 (6) Special funds established by section 206E-6;
- 6 (7) Aloha Tower fund created by section 206J-17;
- 7 (8) Funds of the employees' retirement system created by
- 8 section 88-109;
- 9 (9) Hawaii hurricane relief fund established under chapter
- 10 431P;
- 11 (10) Hawaii health systems corporation special funds and
- 12 the subaccounts of its regional system boards;
- 13 (11) Tourism special fund established under section 201B-
- 14 11;
- 15 (12) Universal service fund established under section 269-
- 16 42;
- 17 (13) Emergency and budget reserve fund under section 328L-
- 18 3;
- 19 (14) Public schools special fees and charges fund under
- 20 section 302A-1130;
- 21 (15) Sport fish special fund under section 187A-9.5;



- 1 [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 2 [+] (17) [+] Glass advance disposal fee established by section
- 3 342G-82;
- 4 [+] (18) [+] Center for nursing special fund under section 304A-
- 5 2163;
- 6 [+] (19) [+] Passenger facility charge special fund established by
- 7 section 261-5.5;
- 8 [+] (20) [+] Solicitation of funds for charitable purposes special
- 9 fund established by section 467B-15;
- 10 [+] (21) [+] Land conservation fund established by section 173A-5;
- 11 [+] (22) [+] Court interpreting services revolving fund under
- 12 section 607-1.5;
- 13 [+] (23) [+] Trauma system special fund under section 321-22.5;
- 14 [+] (24) [+] Hawaii cancer research special fund;
- 15 [+] (25) [+] Community health centers special fund;
- 16 [+] (26) [+] Emergency medical services special fund;
- 17 [+] (27) [+] Rental motor vehicle customer facility charge special
- 18 fund established under section 261-5.6;
- 19 [+] (28) [+] Shared services technology special fund under section
- 20 27-43;



1 [+] (29) [+] Automated victim information and notification system

2 special fund established under section 353-136;

3 [+] (30) [+] Deposit beverage container deposit special fund under

4 section 342G-104;

5 [+] (31) [+] Hospital sustainability program special fund under

6 [+]section 346G-4 [];

7 [+] (32) [+] Nursing facility sustainability program special fund

8 under [+]section 346F-4 [];

9 [+] (33) [+] Hawaii 3R's school improvement fund under section

10 302A-1502.4;

11 [+] (34) [+] After-school plus program revolving fund under

12 section 302A-1149.5; [and]

13 [+] (35) [+] Civil monetary penalty special fund under section

14 321-30.2 [7]; and

15 (36) Intellectual and developmental disabilities medicaid

16 waiver administrative claiming special fund under

17 section 333F- ,

18 shall deduct five per cent of all receipts of all other special

19 funds, which deduction shall be transferred to the general fund

20 of the State and become general realizations of the State. All

21 officers of the State and other persons having power to allocate



1 or disburse any special funds shall cooperate with the director
2 in effecting these transfers. To determine the proper revenue
3 base upon which the central service assessment is to be
4 calculated, the director shall adopt rules pursuant to chapter
5 91 for the purpose of suspending or limiting the application of
6 the central service assessment of any fund. No later than
7 twenty days prior to the convening of each regular session of
8 the legislature, the director shall report all central service
9 assessments made during the preceding fiscal year."

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

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

13 (1) Special out-of-school time instructional program fund
14 under section 302A-1310;

15 (2) School cafeteria special funds of the department of
16 education;

17 (3) Special funds of the University of Hawaii;

18 (4) State educational facilities improvement special fund;

19 (5) Special funds established by section 206E-6;

20 (6) Aloha Tower fund created by section 206J-17;



- 1 (7) Funds of the employees' retirement system created by
2 section 88-109;
- 3 (8) Hawaii hurricane relief fund established under chapter
4 431P;
- 5 (9) Convention center enterprise special fund established
6 under section 201B-8;
- 7 (10) Hawaii health systems corporation special funds and
8 the subaccounts of its regional system boards;
- 9 (11) Tourism special fund established under section 201B-
10 11;
- 11 (12) Universal service fund established under section 269-
12 42;
- 13 (13) Emergency and budget reserve fund under section 328L-
14 3;
- 15 (14) Public schools special fees and charges fund under
16 section 302A-1130;
- 17 (15) Sport fish special fund under section 187A-9.5;
- 18 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 19 [+](17)[+] Center for nursing special fund under section 304A-
20 2163;



1 [+] (18) [+] Passenger facility charge special fund established by
2 section 261-5.5;
3 [+] (19) [+] Court interpreting services revolving fund under
4 section 607-1.5;
5 [+] (20) [+] Trauma system special fund under section 321-22.5;
6 [+] (21) [+] Hawaii cancer research special fund;
7 [+] (22) [+] Community health centers special fund;
8 [+] (23) [+] Emergency medical services special fund;
9 [+] (24) [+] Rental motor vehicle customer facility charge special
10 fund established under section 261-5.6;
11 [+] (25) [+] Shared services technology special fund under section
12 27-43;
13 [+] (26) [+] Nursing facility sustainability program special fund
14 established pursuant to [+]section 346F-4 [+];
15 [+] (27) [+] Automated victim information and notification system
16 special fund established under section 353-136;
17 [+] (28) [+] Hospital sustainability program special fund under
18 [+]section 346G-4 [+]; [and]
19 [+] (29) [+] Civil monetary penalty special fund under section
20 321-30.2 [7]; and



1 (30) Intellectual and developmental disabilities medicaid
2 waiver administrative claiming special fund under
3 section 333F- ,

4 shall be responsible for its pro rata share of the
5 administrative expenses incurred by the department responsible
6 for the operations supported by the special fund concerned."

7 SECTION 5. (a) The state council on developmental
8 disabilities shall establish a working group to examine and
9 evaluate the application process of the Hawaii medicaid section
10 1915(c) home and community-based services for people with
11 intellectual and developmental disabilities waiver and existing
12 services provided by the developmental disabilities division.

13 (b) The members of the working group shall consist of:

14 (1) The administrator of the developmental disabilities
15 division or the administrator's designee;

16 (2) The executive administrator of the state council on
17 developmental disabilities or the executive
18 administrator's designee;

19 (3) The executive director of the Hawaii Disability Rights
20 Center or the executive director's designee;



1 (4) The chair of the senate committee on human services or
2 the chair's designee;

3 (5) The chair of the senate committee on commerce,
4 consumer protection, and health or the chair's
5 designee;

6 (6) The chair of the house of representatives committee on
7 health and human services or the chair's designee;

8 (7) individuals who are parents or guardians of
9 children with developmental disabilities designated by
10 the administrator of the developmental disabilities
11 division; and

12 (8) Any individual the executive administrator of the
13 state council on developmental disabilities deems
14 necessary to be a member of the working group.

15 The members of the working group shall designate a chairperson
16 from among themselves.

17 (c) The members of the working group shall serve without
18 compensation and without reimbursement for expenses.

19 (d) The working group shall submit a report of its
20 findings and recommendations, including any proposed



1 legislation, no later than twenty days prior to the convening of
2 the regular session of 2019.

3 (e) The working group shall cease to exist on June 30,
4 2019.

5 SECTION 6. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so much
7 thereof as may be necessary for fiscal year 2018-2019 for
8 deposit into the intellectual and developmental disabilities
9 medicaid waiver administrative claiming special fund.

10 SECTION 7. There is appropriated out of the intellectual
11 and developmental disabilities medicaid waiver administrative
12 claiming special fund the sum of \$ or so much thereof as
13 may be necessary for fiscal year 2018-2019 to be used in support
14 of individuals with intellectual and developmental disabilities.

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

17 SECTION 8. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 9. This Act shall take effect on July 1, 3000.



Report Title:

Intellectual and Developmental Disabilities Medicaid Waiver
Administrative Claiming Special Fund; Working Group;
Appropriation

Description:

Creates the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund into which federal moneys may be deposited from Department of Health's participation in the section 1915(c) waiver program. Establishes a working group to evaluate and examine the existing application process for the section 1915(c) waiver and other services by the Developmental Disabilities Division. Requires the working group to report to the Legislature prior to the convening of the regular session of 2019. Makes an appropriation. Effective 7/1/3000. (SD1)

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

