

STATE OF HAWAII
DEPARTMENT OF HEALTH
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Testimony in SUPPORT of HB538 HD1

HB538 HD1: RELATING TO HEALTH
REPRESENTATIVE SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: February 27, 2018

Room Number: 308

1 **Fiscal Implications:** The proposed Intellectual and Developmental Disabilities (I/DD) Medicaid
2 Waiver Special Fund, upon approval from the Legislature, is expected to receive reimbursements
3 through Targeted Case Management and other Medicaid administrative claiming. Under section
4 1903(a)(7) of the Social Security Act, federal payment is available at a percentage of amounts
5 expended by a state for allowable cost for administration of programs for the Medicaid
6 population. The anticipated administrative claiming beginning in FY2019 is estimated at
7 \$700,000 to \$1.2 million, which will support compliance requirements of the Medicaid I/DD
8 Waiver.

9 **Department Testimony:** The Department of Health strongly supports HB538 HD1. The
10 companion bill to HB538 HD1 “Health” is SB2798 Relating to “Intellectual and Developmental
11 Disabilities Medicaid Waiver Administrative Claiming Special Fund.” The Department of
12 Health, Developmental Disabilities Division is the operating agency for the State of Hawaii's
13 1915(c) Medicaid Home and Community Based Services (HCBS) Waiver to serve Persons with
14 Intellectual and Developmental Disabilities (I/DD). Medicaid administrative claiming is
15 allowable for the proper and efficient administration of the HCBS I/DD waiver. HB538 HD1
16 requests the legislature's approval of the establishment of a special fund for deposits from
17 Medicaid allowable costs to administer the HCBS I/DD waiver.

18 Currently, administrative and targeted case management claiming for the operations of the
19 HCBS are deposited in the general fund, limiting the DOH's ability to implement new federal
20 requirements for implementation of the waiver, including the Final Rule on Community

1 Integration and its Home and Community-Based Settings regulations. Implementation of these
2 regulations and provision of quality services that meets Medicaid waiver requirements requires
3 an adequate infrastructure and practices at all levels of the DDD program. The monies from this
4 special fund will be used to meet these requirements and to modernize overall operations.

5 Specific uses of the proposed fund are:

6 (1) Payment for fiscal management services of the Hawaii section 1915(c) Home and
7 Community-Based Services for Persons with Intellectual and Developmental Disabilities waiver;

8 (2) Training of staff, waiver providers, waiver participants, their families, and their legal
9 representatives, and community stakeholders;

10 (3) Quality management activities for operating the Hawaii section 1915(c) Home and
11 Community-Based Services for People with Intellectual and Developmental Disabilities waiver;

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

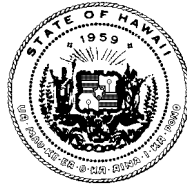
13 (5) Conducting rate methodology studies to define rates for the Hawaii section 1915(c)
14 Home and Community-Based Services for People with Intellectual and Developmental
15 Disabilities waiver; and

16 (6) Assessment services for determining I/DD Waiver participants' level of support needs.

17 DOH-DDD has collaborated with the Department of Human Services (DHS) MedQuest Division
18 (MQD).

19 Thank you for the opportunity to testify on this important measure.

20



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 24, 2018

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 538 HD1 – RELATING TO HEALTH**

Hearing: Tuesday, February 27, 2018, 12:00 p.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent and supports the bill. It is consistent with the Department of Health's administration proposal HB 2371.

PURPOSE: The purpose of the bill is to create an Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming special fund.

The Medicaid program is administered and overseen by the Med-QUEST division (MQD) of DHS. We delegate the operations for the 1915(c) Medicaid Home and Community Based Services (HCBS) Waiver to serve people with Intellectual and Developmental Disabilities (I/DD) to the Department of Health, Developmental Disabilities Division (DOH-DDD). Because they are operating on our behalf - the Medicaid agency, DOH-DDD may claim the 50% federal Medicaid administrative match. HB 538 HD1 requests the legislature's approval of the establishment of a special fund for deposits from this Medicaid administrative claiming to administer the HCBS I/DD waiver.

Currently, any administrative claiming Medicaid funds are deposited into the general fund. However, this has resulted in limiting the DOH-DDD's ability to implement many new major federal requirements that required sweeping changes to implement the waiver.

We confirm that implementation of these requirements and operations of quality services requires an adequate infrastructure that includes ongoing monitoring and training for staff, families, waiver participants, and providers. Specifically, per DOH DDD program, the monies from the fund would be used for:

- (1) Payment for fiscal management services of the Hawaii section 1915(c) Home and Community-Based Services for Persons with Intellectual and Developmental Disabilities waiver;
- (2) Training of staff, waiver providers, waiver participants, their families, and their legal representatives, and community stakeholders;
- (3) Quality management activities for operating the Hawaii section 1915(c) Home and Community-Based Services for People with Intellectual and Developmental Disabilities waiver;
- (4) Ongoing operations and maintenance of the information technology system;
- (5) Conducting rate methodology studies to define rates for the Hawaii section 1915(c) Home and Community-Based Services for People with Intellectual and Developmental Disabilities waiver; and
- (6) Assessment services for determining I/DD Waiver participants' level of support needs.

We further confirm that all of these activities are both increasing and necessary. DOH-DDD has been operating the I/DD program very efficiently and effectively up to this point; they have been collaborative partners with us in operating the Medicaid program; and we support their efforts to leverage the Medicaid dollars more effectively so that they can build additional and necessary infrastructure as listed above.

Thank you for the opportunity to provide comments on this measure.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
1010 Richards Street, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 27, 2018

The Honorable Sylvia Luke, Chair
House Committee on Finance
Twenty-Ninth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Luke and Members of the Committees:

SUBJECT: HB538 HD 1 - Relating to Health

The State Council on Developmental Disabilities **supports HB538 HD1**. The proposed measure will create the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund into which federal money may be deposited from Department of Health participation in the waiver program.

With changes of services and new services within the Department's waiver program, the passage of this bill will allow the Division to establish a Special Fund for training of staff, waiver providers, waiver participants, including their families and legal representatives, as well as stakeholders. In addition, methodology studies to justify rate increases to provider agencies.

The Department of Health, Developmental Disabilities Division (DOH/DDD) will be responsible for the oversight of the Special Fund, the Council respectfully requests that the DOH/DDD be referred to for any further proposed amendments with clarifying the definition of their Special Fund.

Thank you for the opportunity to submit testimony in **support of HB538 HD1**.

Sincerely,

Daintry Bartoldus
Executive Administrator

HB-538-HD-1

Submitted on: 2/26/2018 11:47:16 AM

Testimony for FIN on 2/27/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Louis Erteschik	Hawaii Disability Rights Center	Comments	No

Comments:

While we have no particular objection to the creation of this special fund and do believe it would be useful to the DD Division, the Committee on Finance might want to ask the Department why it has not pursued administrative claiming previously. According to Section 1 of this measure the answer is because the money is deposited into the general fund as opposed to a special fund for the Department.

If that is true, then that appears to be a very "bureaucratic" way of looking at the overall issue of state finances. According to their testimony, this effort can generate approximately one million dollars. The Department's position appears to be that they are happy to pursue that so long as it will benefit their program- but if it is merely going to benefit the state revenue picture then it is "not worth their effort". We would think that the Committee on Finance might have a more "holistic" view of the state's economy. We share that perspective as well and so if millions of dollars have been lost to the state because the Department did not bother to pursue this previously, then we submit that they have some explaining to do to the Committee.



Achieve with us.

Testimony in Support of Proposed HB538 HD1

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
House Committee on Finance

Hearing Date: February 27, 2018 Room Number: 309

Honorable Representatives:

The Arc in Hawaii strongly supports the Proposed HB538 HD1, concerning the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund.

The Arc in Hawaii, a private non-profit agency, provides services to individuals with intellectual and developmental disabilities (ID/DD) and their families across Oahu. Together with its national and neighbor-island Arc affiliates, The Arc in Hawaii promotes and protects the rights of people with ID/DD and actively supports their right to be included and fully participate in the community throughout their lifetime.

The federal government has issued new requirements that make extensive changes to implementation of the Home and Community Based Service (HCBS) Waiver program. HB538 will authorize the establishment of a special fund to support necessary compliance requirements, including payment for management, training, quality assurance, assessment, technology and methodology services needed for their implementation.

Crucially, proposed HD1 adds this Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund to the list of special funds not subject to a 5% deduction that would go to the General Fund. This addition is critical, especially now, with so many new federal requirements for the waiver program.

The Arc in Hawaii is committed to providing high quality waiver services to our participants. We embrace the person-centered philosophy that undergirds the changes that are happening in the Waiver Program. New and different programs, however, will require changes both to our operations, and those of the Hawaii Department of Health Developmental Disabilities Division.

Switching to a new paradigm will be a huge task, that will not come without a cost. DOH DDD's ability to provide training and quality management services to Hawaii's already over-stretched waiver services providers will be crucial to doing so successfully.

Additionally, the expenses associated with providing services increase year after year. Periodic rate studies using appropriate methodologies will be imperative to ensure that rates paid to service providers allow both for the deliverance of quality services and the sustainability of the organizations providing them.

We're doing our part as a waiver provider, but we are relying on DOH DDD to provide the additional training, monitoring and support services we will need in this new environment. We urge the passage of HB538 HD1 to provide adequate financial resources for DOH DDD as we all move forward.

Thank you very much for allowing us to submit testimony on behalf of the proposed HB538 HD1.

Sincerely,

A handwritten signature in black ink, appearing to read "Lei Fountain", with a long horizontal flourish extending to the right.

Lei Fountain
Executive Director

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OCEAN VIEW

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Federal ID

99-0108896

To: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Committee on Finance

Hearing Date: February 27, 2018, 12:00 pm, Room 308

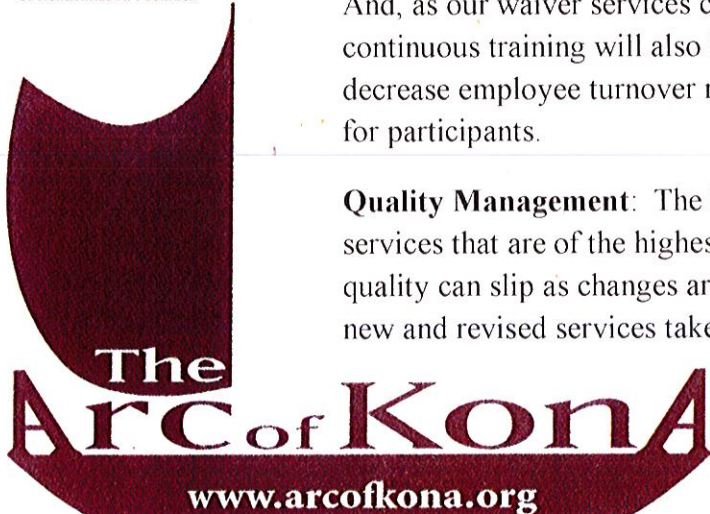
RE: **Testimony in support of HB 538 HD 1**
Relating to Health

The Arc of Kona **supports HB 538 HD 1**, which creates the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund.

The Arc of Kona is located on the Big Island of Hawaii and provides Medicaid Waiver Home and Community Based Services to individuals with Intellectual and Developmental Disabilities (I/DD) island-wide. We appreciate and support DD Division's continuous efforts to build and further strengthen the infrastructure that supports Hawaii's Medicaid Waiver services. There have been numerous necessary changes to our waiver and this fund would enable DD Division to continue to implement the many changes, including the CMS Final Rule on Community Integration, efficiently and effectively throughout the state. The fund would be utilized in a variety of ways including the following, which we believe would have tremendous positive impact on both service providers and the individuals we serve:

Training: As a not-for-profit organization on a neighbor island, resources for training staff are limited, yet training is an important element of effective staff retention efforts and crucial in facilitating successful change initiatives. Consistent training at no cost for everyone involved in the service delivery process including the participant and provider employees would be highly beneficial. And, as our waiver services continue to change and evolve, continuous training will also be a necessity. Training would help decrease employee turnover resulting in less disruption of services for participants.

Quality Management: The individuals we serve have the right to services that are of the highest quality. Change can be difficult and quality can slip as changes are implemented and the transition to new and revised services takes place. Ongoing, quality



"Expanding the Possibilities"
"Ho'o Nui Ka Hiki"

management initiatives are necessary to ensure quality measures are defined and communicated effectively, providers and key stakeholders are held accountable to those quality measures, and improvement strategies are implemented as needed.

Rate Studies: There are expenses incurred with service delivery and many of those expenses increase year after year. Conducting periodic rate methodology studies will be imperative to ensure rates paid to service providers are fair and relevant. This results in higher quality service provision and positively impacts the sustainability of the service provider agency.

Thank you for the opportunity to submit testimony in support of HB 538 HD1. The individuals we serve will benefit the greatest from your support.

Sincerely,



Michele L. Ku
President and Chief Executive Officer

HB-538-HD-1

Submitted on: 2/26/2018 12:26:09 PM

Testimony for FIN on 2/27/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Self Advocates	Hawaii Self Advocacy Advisory Council (non-profit organization)	Support	No

Comments:

My name Renee Manfredi. I am the President of the Hawaii Self Advocacy Advisory Council (SAAC). We have nearly 200 members statewide.

We support HB538 HD1 because their has been several changes to the Waiver Services and trainings are very important to the case managers, providers, self-advocates, and providers. The Special Fund will help fund the trainings.

Thank you for this opportunity to submit testimony **SUPPORTING HB538 HD1**

HB-538-HD-1

Submitted on: 2/26/2018 9:43:33 AM

Testimony for FIN on 2/27/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
James Kilgore	Full Life	Support	No

Comments:

Dear Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance.

Full Life supports **HB538 HD1 establishing** a DOH-DDD Administrative Claiming Fund. We support DDD to have special fund to use to help pay for critical infrastructure we need for the I/DD Waiver. Specifically, funding and access to funding for training for providers, participants, and families is very necessary. It is crucial that we are all working together to advance the quality of supports for people with intellectual and developmental disabilities. Also, access to funding DDD efforts in quality assurance, rate methodology, fiscal services, and technology management are important for our continued success.

Mahalo,

Jim Kilgore

Executive Director