

STATE OF HAWAII
DEPARTMENT OF HEALTH
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Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB538 HD1, SD1
RELATING TO HEALTH**

SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: April 5, 2018

Room Number: 211

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 supports HB538 HD1, SD1 and suggests
10 an amendment. The companion bill is SB2798 Relating to “Intellectual and Developmental
11 Disabilities Medicaid Waiver Administrative Claiming Special Fund.” We believe SB 2798 is
12 more focused on the establishment and purpose of a special fund to address proper and efficient
13 administration of Hawaii’s 1915(c) Medicaid Home and Community Based Services (HCBS)
14 Waiver to serve Persons with Intellectual and Developmental Disabilities (I/DD). The DOH-
15 Developmental Disabilities Division and DD Council are committed to working together to
16 convene stakeholders to address Section 5 of HB 538 HD 1 SD 1.

17 The Department of Health, Developmental Disabilities Division is the operating agency for the
18 HCBS I/DD Waiver. Medicaid administrative claiming is allowable for its proper and efficient
19 administration. HB538 HD1, SD1 requests the legislature's approval of the establishment of a
20 special fund for deposits from Medicaid allowable costs to administer the HCBS I/DD waiver.

1 Currently, administrative and targeted case management claiming for the operations of the
2 HCBS are deposited in the general fund, limiting the DOH's ability to implement new federal
3 requirements for implementation of the waiver, including the Final Rule on Community
4 Integration and its Home and Community-Based Settings regulations. Implementation of these
5 regulations and provision of quality services that meets Medicaid waiver requirements requires
6 an adequate infrastructure and practices at all levels of the DDD program. The monies from this
7 special fund will be used to meet these requirements and to modernize overall operations.

8 Specific uses of the proposed fund are:

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

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

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

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

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

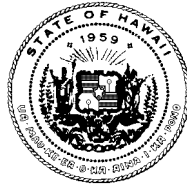
19 (6) Assessment services for determining I/DD Waiver participants' level of support needs.

20 DOH-DDD has collaborated with the Department of Human Services (DHS) MedQuest Division
21 (MQD) in this effort.

22 OFFERED AMENDMENT:

23 Omit Section 5 to align with SB 2798.

24 Thank you very much for the opportunity to testify on this important measure.



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

April 3, 2018

TO: The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 538 HD1 SD1 – RELATING TO HEALTH**

Hearing: Thursday, April 5, 2018, 10:30 a.m.
Conference Room 211, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of the bill with one suggested amendment. The bill has major sections that are 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. It also 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. The working group is to report to the Legislature prior to the convening of the regular session of 2019.

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 SD1 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 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; and they have been collaborative partners with us in operating the Medicaid program. We support DOH efforts to leverage the Medicaid dollars more effectively so that they can build additional and necessary infrastructure as listed above.

We suggest that Section 5 be deleted. Section 5 requires the State Developmental Disabilities Council form a workgroup to review the 1915(c) application process, and the services provided. We believe that such a workgroup could be formed under current rules. If, however, said workgroup were to be formed, we would suggest that a representative from the Med-QUEST division of DHS be named as a member of the workgroup.

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

April 4, 2018

The Honorable Senator Donovan Dela Cruz, Chair
Senate Committee on Ways and Means
Twenty-Ninth Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator Dela Cruz and Members of the Committee:

SUBJECT: HB 538 HD1 SD1 – Relating to Health

The State Council on Developmental Disabilities **supports the intent of HB 538 HD1 SD1**. This bill will create an 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 waiver program.

The Council respectfully requests Section 5; on page 12 lines 7 through 20, page 13 lines 1 through 20, and on page 14 lines 1-4, be eliminated. According to the Developmental Disabilities Assistance and Bill of Rights Act (Public Law 106–402, 106th Congress- DD Act), the State Council on Developmental Disabilities is responsible with identifying the most pressing needs of people with developmental disabilities and committed to advancing public policy and system change that helps this population gain more control over their lives.

We strongly believe if a working group is needed, Federal Law allows to do so and further State Legislation is not necessary. The Council has commitments from the Department of Health, Developmental Disabilities Division (DOH/DDD), the Hawaii Disability Rights Center (HDRC) and the University of Hawai'i Center on Disability Studies (CDS) to work together with families and individuals with disabilities to improve the application process and access to resources for the "waiver program" and other existing services.

Thank you for the opportunity to submit testimony and to provide recommended changes to HB 538 HD1 SD1.

Sincerely,

Daintry Bartoldus
Executive Administrator



Achieve with us.

Testimony in Support of HB538 HD1 SD1

Senator Donovan M. DelaCruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Hearing Date: April 5, 2018 Room Number: 211

Honorable Senators:

The Arc in Hawaii strongly supports the Proposed HB538 HD1 SD1, 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, technological and methodology services needed for their implementation.

Crucially, HB538 HD1 SD1 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.

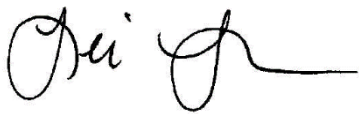
Switching to a new paradigm will be a huge task that will not come without a cost. DOH DDD's ability to provide training and quality management services to Hawaii's already overstretched waiver services providers will be crucial to doing so successfully.

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 SD1.

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



CATHOLIC CHARITIES HAWAII

TO: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Committee on Ways & Means

FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer

DATE: Thursday, April 5, 2018 (10:30 a.m., Room 211)

RE: **IN SUPPORT of HB 538, HD1, SD1, Relating to Health**

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing Home and Community-based Medicaid Waiver services for individuals with developmental disabilities/intellectual disabilities since 1995.

CCH supports HB538, HD1, SD1, which would establish the "Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund" so that funds from Medicaid administrative claiming can be used for specified purposes in support of waiver services rather than being deposited to the General Fund. The bill also adds this new Special Fund to the list of Special Funds not subject to the 5% assessment to the General Fund.

In particular, CCH hopes that this Special Fund will be used for the following purposes:

- **Increased and enhanced training opportunities** - There have been significant recent changes in waiver services, largely to comply with new federal requirements. In order to provide quality of care for individuals served by the waiver, a significant amount of training is necessary - for Department of Health/Developmental Disabilities Division (DOH/DDD) staff, for waiver provider agencies, for consumers (and their guardians), and other community stakeholders. As a waiver service provider, CCH is doing its best to adjust to the many new changes in requirements and welcomes the support of DOH/DDD in the form of ongoing, timely and relevant training.
- **Regular rate review** –periodic rate studies, using industry based methodologies, are needed to ensure that payments to providers are fair, and in keeping with the rising cost of doing business and the changing demands of government requirements.

CCH asks for your support of HB538, HD1, SD1. Please feel free to email Diane Terada, Division Administrator, at diane.terada@catholiccharitieshawaii.org or call her via phone at 527-4702 if there are any questions.

Thank you for this opportunity to provide testimony.



HB-538-SD-1

Submitted on: 4/3/2018 5:54:08 PM

Testimony for WAM on 4/5/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Louis Erteschik	Testifying for Hawaii Disability Rights Center	Support	No

Comments:

We strongly support the provision in the bill that establishes a working group to examine the practices of the Developmental Disabilities Division.

In the past year, our office has received an increase in the number of complaints about the DD Division. The nature of the complaints range from concerns about the restrictive eligibility policies as well as an intake system that is very unfriendly to the consumers. Parents have experienced lengthy delays in the processing of applications and it appears that the Division's Compliance Office has manipulated every possible legal technique to thwart requests for openness and information.

In response to these concerns, Rep. Mizuno convened a meeting at the request of several parents. The DD Division was in attendance as was HDRC. There was some consensus that it would be very helpful if the legislature could convene a Work Group to evaluate some of these problems and propose solutions. HB 538 is an ideal bill to serve as a vehicle for this provision.

HB-538-SD-1

Submitted on: 4/3/2018 8:55:44 AM

Testimony for WAM on 4/5/2018 10:30:00 AM

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

Comments:

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and the Members of the Committee on Ways and Means:

Full Life supports **HB 538, HD1, SD1** 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 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