

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

February 12, 2018

TO: The Honorable Representative John Mizuno, Chair
House Committee on Health and Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 538 Proposed HD1 – RELATED TO HEALTH**

Hearing: Tuesday, February 13, 2018; 10:15 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent and supports the proposed HD 1; the proposed HD 1 appears to be 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 Proposed 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.

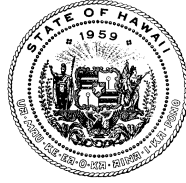
Currently, any administrative claiming Medicaid funds are deposited into the general fund. However, this has resulted in limiting the DOH-DDD's ability to implement many new major federal requirements that required sweeping changes to implement the waiver.

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
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB538 Proposed HD1
RELATING TO HEALTH
Proposed HD1: Intellectual and Developmental Disabilities Waiver
Administrative Claiming Special Fund**

REPRESENTATIVE JOHN M. MIZUNO, CHAIR

HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES

Hearing Date: February 13, 2018

Room Number: 329

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

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

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

1 Community Integration and its Home and Community-Based Settings Requirements.
2 Implementation of these requirements and operations of quality services requires an adequate
3 infrastructure that includes ongoing monitoring and training for staff, families, waiver
4 participants and providers. The monies from this special fund will be used to meet these
5 requirements and to modernize overall operations. The fund would be used for:

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



Achieve with us.

Testimony in Support of Proposed HB538 HD1

Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice Chair
House Committee on Health and Human Services
Hearing Date: February 13, 2018 Room Number: 329

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 in the way that we interact with our participants, family members and our Island community. The Hawaii Department of Health Developmental Disabilities Division's actions and interactions will similarly require multiple and multi-level changes. We are all switching to a new paradigm and doing so successfully will be a huge task, that will not come without a cost.

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

HB-538

Submitted on: 2/12/2018 10:47:08 AM

Testimony for HHS on 2/13/2018 10:15:00 AM

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

Comments:

Aloha Chair Mizuna, Vice Chair Kobayashi, and members of the House Committee on Health and Human Services

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, training for providers, participants, and families is very important. It is crucial that we are all working together to advance the quality of supports for people with intellectual and developmental disabilities. Also, funding DDD efforts in quality assurance, rate methodology, fiscal services, and technology management are crucial for our continued success.

Mahalo for your consideration,

Jim Kilgore

Executive Director

Thomas and Gloria Huber
46-291 Auna Street
Kaneohe HI 96744

Testimony in **Support of HB538 Proposed HD1**

Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice Chair

House Committee on Health and Human Services
Room Number: 329
Hearing Date: February 13, 2018

Re: Intellectual and Developmental Disabilities Medicaid Waiver
Administrative Claiming Special Fund

Chair Mizuno, Vice Chair Kobayashi and Members of the Committee

We **SUPPORT** passage of **HB 538** in the form of **Proposed HD1**, which would strengthen the ability of the Department of Health to provide funding, support and oversight of Medicaid Waiver Home and Community - Based Services For People With Intellectual and Developmental Disabilities (HCBS).

For many years our daughter has received state and federally funded HCBS services from two wonderful nonprofit agencies dedicated to serving our citizens with intellectual and developmental disabilities. This has allowed her to live in a community home in a residential neighborhood and to engage in work, training and the experience of living in the outside world.

The federal government has issued new requirements that make extensive changes to implementation of the HCBS. The Department of Health must have the resources for support, management, training, quality assurance, assessment, technology and other services needed for the HCBS to meet its goals, especially under new federal requirements.

HB 538 HD1 will establish an intellectual and developmental disabilities medicaid waiver administrative claiming special fund which will greatly help the Department operate this very important support program for so many who rely upon it.

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

Thomas and Gloria Huber

HB-538

Submitted on: 2/12/2018 8:59:21 AM

Testimony for HHS on 2/13/2018 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Kobayakawa	Individual	Support	No

Comments:

I support this bill along with the proposed HB539 HD1 ammendments because I am the parent and of an adult with Intellectual and Developmental Disabilities. He resides in a licensed DOH of Care Home run by the ARC of Hawaii, attends Adult Day Health Programs and this could impact these services that are crucial to him and our family. Please pass these bills and ammendments.

Thank you for your time.

HB-538

Submitted on: 2/11/2018 10:22:26 AM

Testimony for HHS on 2/13/2018 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
KAREN K KOKUBUN	Individual	Oppose	No

Comments:

Testimony of Karen K. Kokubun in OPPOSITION TO HB538, As Originally Drafted;

In SUPPORT of HB538, HD1

February 11, 2018

I an OPPOSED to HB538, as originally drafted.

I SUPPORT HB538, HD1, because the original draft will have unintended consequences of penalizing licensing care facilities by increasing their certification, recertification, licensing and relicensing fees.

The care facilities are being burdened with regulations by the DOH DDD to effectively decrease their compensation by DDD promulgating rules which state, in effect, that it costs the same amount of money to care for two clients as it does for five clients.

The effect of increased regulations such as these would further stifle the care facilities. Many have stated that they will discharge their Medicaid clients and only take private pay. If so, what will the DOH and Legislature do to find medically suitable and safe care facilities for persons with disabilities who have multiple, serious medical conditions?

Thank you.

Karen K. Kokubun

LATE

The Arc of Kona **supports HB 538 Proposed 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 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 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. The individuals we serve will benefit the greatest from your support.

Michele Ku
President/CEO
Arc of Kona