

STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of SB2798 SD2
RELATING TO INTELLECTUAL AND DEVELOPMENTAL DISABILITIES
WAIVER ADMINISTRATIVE CLAIMING SPECIAL FUND**

REPRESENTATIVE JOHN M. MIZUNO, CHAIR
HOUSE COMMITTEE ON HEALTH AND HUMAN SERVICES

Hearing Date: March 22, 2018

Room Number: 329

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 SB2798 SD2
10 “Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special
11 Fund.” The Department of Health, Developmental Disabilities Division is the operating agency
12 for the State of Hawaii's 1915(c) Medicaid Home and Community Based Services (HCBS)
13 Waiver to serve Persons with Intellectual and Developmental Disabilities (I/DD). Medicaid
14 administrative claiming is allowable for the proper and efficient administration of the HCBS
15 I/DD waiver. SB2798 SD2 requests the legislature's approval of the establishment of a special
16 fund for deposits from Medicaid allowable costs 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 mandates for implementation of the waiver, including the Final Rule on Community Integration

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

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

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

March 22, 2018

The Honorable John Mizuno, Chair
House Committee on Health and Human Services
Twenty-Ninth Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Mizuno and Members of the Committee:

**SUBJECT: SB2798 SD2 – Relating to intellectual and developmental disabilities
Medicaid waiver administrative claiming special fund.**

The State Council on Developmental Disabilities **SUPPORTS SB2798 SD2.** Creates the intellectual and developmental disabilities Medicaid waiver administrative claiming special fund into which federal moneys may be deposited from the Department of Health's participation in the waiver program. Appropriates funds to support individuals with intellectual and developmental disabilities.

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.

In the event a Work Group is needed to address concerns with the Developmental Disabilities Division, we believe this is a task for the programs authorized by the DD Act and further legislation is not needed. The programs authorized by the Developmental Disabilities Assistance and Bill of Rights Act (Public Law 106–402, 106th Congress- DD Act) empower individuals with developmental disabilities and their families to help shape policies that impact them. DD Act programs conduct important research and test innovative new service delivery models. They work to bring the latest knowledge and resources to those who can put it to the best use, including self-advocates, families, service providers, and policymakers. DD Act programs also investigate cases of abuse and serve as advocates for individuals with developmental disabilities and their families.

Honorable John Mizuno
March 22, 2018
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The programs authorized by the DD Act and overseen by Administration for Community Living (ACL) Administration on Intellectual and Developmental Disabilities include:

- [University Centers for Excellence in Developmental Disabilities Education, Research & Service \(UCEDDs\)](#) the Center on Disability Studies. They are affiliated with the University of Hawaii which allows them to serve as liaisons between academia and the community. UCEDDs are a nationwide network of independent but interlinked centers, representing an expansive national resource for addressing issues, finding solutions, and advancing research related to the needs of individuals with developmental disabilities and their families.
- [State Councils on Developmental Disabilities \(Councils\)](#) gathers information from the Centers on Disability Studies and Hawaii Disability Rights Center and the Council works to address identified needs by conducting advocacy, systems change, and capacity building efforts that promote self-determination, integration, and inclusion. Key activities include conducting outreach, providing training and technical assistance, removing barriers, developing coalitions, encouraging citizen participation, and keeping policymakers informed about disability issues.
- [State Protection & Advocacy Systems \(P&As\)](#) the Hawaii Disability Rights Center (HDRC) is dedicated to the ongoing fight for the personal and civil rights of individuals with developmental disabilities. P&As are independent of service-providing agencies within their states and work at the state level to protect individuals with developmental disabilities by empowering them and advocating on their behalf. P&As provide legal support to traditionally unserved or underserved populations to help them navigate the legal system to achieve resolution and encourage systems change.

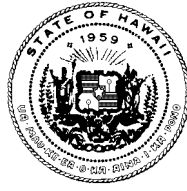
As a part of The State Council on Developmental Disabilities five-year work plan, we look forward to working closely with the Hawaii Disability Rights Center and the Center on Disability Studies in facilitating a work group to address issues related to services for individuals with developmental disabilities.

Thank you for the opportunity to submit testimony **supporting SB 2798 SD2.**

Sincerely,



Daintry Bartoldus
Executive Administrator



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

March 21, 2018

TO: The Honorable Representative John M. Mizuno, Chair
House Committee on Health & Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2798 SD2 – RELATING TO INTELLECTUAL AND DEVELOPMENTAL
DISABILITIES MEDICAID WAIVER ADMINISTRATIVE CLAIMING SPECIAL
FUND**

Hearing: Thursday, March 22, 2018 9:00 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent and supports the bill.

PURPOSE: The purpose of the bill is to create a special fund for administering the 1915(c) home and community-based services for people with intellectual and developmental disabilities waiver.

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. SB2798 SD2 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.

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.



Achieve with us.

Testimony in Support of Proposed SB2798 SD2

Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice Chair
House Committee on Health and Human Services
Hearing Date: March 22, 2018 Room Number: 329

Honorable Representatives:

The Arc in Hawaii strongly supports the SB2798 SD2, 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, SB2798 SD2 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 SB2798 SD2 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 SB2798 SD2.

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

SB-2798-SD-2

Submitted on: 3/21/2018 5:11:51 PM

Testimony for HHS on 3/22/2018 9:00:00 AM

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

Comments:

We have no opposition to the provision in this bill. However, we prefer that the legislature advance this provision in HB 538 since that also contains a provision for a DD Work Group.



CATHOLIC CHARITIES HAWAII

TO: Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice Chair
Committee on Health & Human Services

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

DATE: Thursday, March 22, 2018 (9:00 a.m., Room 329)

RE: **IN SUPPORT of SB 2798, SD2, Relating to Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund**

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 SB2798, SD2, 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 SB2798, SD2. 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.



LATE

SB-2798-SD-2

Submitted on: 3/22/2018 8:51:29 AM

Testimony for HHS on 3/22/2018 9:00:00 AM

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

Comments:

Dear Chair Mizuno, Vice Chair Kobayashi, and the Members of the House Committee on Health and Human Services:

Full Life supports **SB2798 SD2 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