
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 home and community-based services waiver for persons
4 with intellectual and developmental disabilities pursuant to
5 section 1915(c) of the Social Security Act. The department of
6 health operates the waiver pursuant to a memorandum of agreement
7 with the department of human services, which is the state
8 medicaid agency supervising the administration of the waiver.
9 Therefore, the department of health can claim allowable medicaid
10 federal financial participation for the proper and necessary
11 costs incurred by the department in administering the waiver.

12 Administrative claiming has become increasingly important
13 to defray the rising costs to states for administration of
14 medicaid programs but, to date, the department of health has
15 conducted minimal administrative claiming. Without a special
16 fund for depositing moneys received from federal financial
17 participation for operating the home and community-based
18 services waiver for persons with intellectual and developmental



1 disabilities, the department lacks the infrastructure necessary
2 to ensure the proper and efficient administration of the waiver
3 and meet the growing federal requirements for community
4 integration, quality, and accountability. The moneys received
5 into this fund would come solely from medicaid administrative
6 claiming pursuant to a cost allocation plan approved by the
7 United States Department of Health and Human Services.

8 The requirements of operating the waiver are specified in
9 the State's waiver application approved by the federal Centers
10 for Medicare and Medicaid Services. Through the delegated
11 functions, the department must ensure the health and welfare of
12 waiver participants, coordinate services, and ensure service
13 quality. Specific requirements for the operating authority
14 include completing initial intake for new waiver applicants,
15 completing annual re-determinations of level of care for
16 continued eligibility, performing fiscal oversight to ensure
17 that waiver enrollment and expenditures are managed against
18 federally approved limits, implementing person-centered planning
19 processes, developing and monitoring participant individualized
20 service plans, pre-authorizing waiver services, managing
21 utilization, enrolling qualified providers and provider



1 monitoring, establishing a statewide rate methodology,
2 developing policies and procedures for operating the waiver
3 subject to department of human services approval, and
4 implementing quality assurance and improvement activities for
5 required performance measures. The department is contracting to
6 develop a new information technology system to assist case
7 managers in managing information and providing analytics. Many
8 of the activities performed by department staff or contracted
9 entities can be claimed as administrative costs. With moneys
10 appropriated out of the special fund, the department of health
11 will be able to meet compliance requirements for the State's
12 section 1915(c) medicaid waiver for individuals with
13 intellectual and developmental disabilities.

14 The purpose of this Act is to:

- 15 (1) Establish the intellectual and developmental
16 disabilities medicaid waiver administrative claiming
17 special fund to allow for the deposit of federal funds
18 received as part of the State's participation in the
19 operation of home and community-based services under a
20 section 1915(c) waiver; and



1 (2) Require the department of health to work with the
2 department of human services and other stakeholders to
3 develop and distribute educational materials informing
4 individuals with intellectual or developmental
5 disabilities on how to access medicaid services and
6 the types of medicaid services that are available.

7 SECTION 2. Chapter 333F, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§333F- Intellectual and developmental disabilities
11 medicaid waiver administrative claiming special fund. (a)

12 There is established in the treasury of the State the
13 intellectual and developmental disabilities medicaid waiver
14 administrative claiming special fund, into which shall be
15 deposited:

16 (1) All revenues from medicaid administrative claiming
17 designated for the department that are allowable for
18 operating the Hawaii home and community-based services
19 waiver for persons with intellectual and developmental
20 disabilities pursuant to section 1915(c) of the Social
21 Security Act;



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 home and community-based services waiver for persons

9 with intellectual and developmental disabilities

10 pursuant to section 1915(c) of the Social Security

11 Act;

12 (2) Training of staff; waiver providers; waiver

13 participants, family members of waiver participants,

14 legal representatives of waiver participants; and

15 community stakeholders;

16 (3) Quality management activities for operating the Hawaii

17 home and community-based services waiver for persons

18 with intellectual and developmental disabilities

19 pursuant to section 1915(c) of the Social Security

20 Act;



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

3 (5) Conducting rate methodology studies to define rates
4 for the Hawaii home and community-based services
5 waiver for persons with intellectual and developmental
6 disabilities pursuant to section 1915(c) of the Social
7 Security Act; and

8 (6) Assessment services for determining each participant's
9 level of support needs.

10 (c) The department shall submit to the legislature no
11 later than twenty days prior to the convening of each regular
12 session a report that provides an accounting of the receipts of
13 and expenditures from the intellectual and developmental
14 disabilities medicaid waiver administrative claiming special
15 fund."

16 SECTION 3. (a) The department of health shall work with
17 the department of human services and other stakeholders to
18 develop and distribute information about accessing medicaid
19 services for individuals with intellectual or developmental
20 disabilities, or both. Education and training materials may
21 also address an array of possible medicaid services for



1 individuals with intellectual disabilities, autism spectrum
2 disorders, cerebral palsy, epilepsy, and other developmental
3 disabilities, some of which are caused by fetal alcohol spectrum
4 disorders.

5 (b) The department of health shall submit a report of its
6 findings and recommendations, including any proposed
7 legislation, to the legislature no later than twenty days prior
8 to the convening of the regular session of 2020.

9 SECTION 4. There is appropriated out of the intellectual
10 and developmental disabilities medicaid waiver administrative
11 claiming special fund the sum of \$900,000 or so much thereof as
12 may be necessary for fiscal year 2019-2020 for the purposes of
13 this Act.

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

16 SECTION 5. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 2019.



Report Title:

Medicaid Waiver Administrative Claiming Special Fund;
Appropriation

Description:

Creates the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund to capture federal moneys resulting from DOH's participation in the SSA §1915(c) waiver program. Requires DOH and DHS to work with stakeholders to develop and distribute information about accessing Medicaid services for individuals with intellectual and developmental disabilities. (HB1273 CD1)

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