

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

**Testimony in SUPPORT of HB1273 HD1
RELATING TO HEALTH**

REPRESENTATIVE SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: February 20, 2019
2:00 p.m.

Room Number: 308

1 **Fiscal Implications:** The proposed intellectual and developmental disabilities Medicaid waiver
2 administrative claiming special fund, upon approval from the legislature, is anticipated to receive
3 reimbursements for eligible expenditures through Medicaid administrative claiming. Under
4 section 1903(a)(7) of the Social Security Act, federal payment is available at a rate of fifty
5 percent for amounts expended by a state for allowable cost for administration of programs for the
6 Medicaid population. The anticipated administrative claiming for FY2020 is estimated at
7 \$700,000 to \$1.2 million.

8 The Department has serious concerns about the fiscal implications of the amendments in
9 HB1273 HD1. **Section 5**, runs contrary to statute, and **Section 6**, if implemented would put the
10 state at risk of non-compliance with the Medicaid Home and Community Based Services Waiver
11 for Persons with Intellectual and Developmental Disabilities (HCBS I/DD Waiver) resulting in
12 the state needing to assume the entire \$140 million cost of the program.

13 **Department Testimony:** The Department of Health supports the establishment of a special
14 fund for the HCBS I/DD Waiver, and has serious concerns about SECTIONS 5 and 6 in
15 HD1. The Department of Health, Developmental Disabilities Division is the operating agency
16 for the State of Hawaii's 1915(c) HCBS Waiver to serve people with I/DD. The Centers for
17 Medicare and Medicaid Services (CMS) allows administrative claiming for the administrative
18 costs of operating the HCBS I/DD Waiver, provided certain requirements have been met. The
19 Department of Health, along with the Department of Human Services, has worked towards

1 meeting the necessary requirements, such as having an approved Cost Allocation Plan that meets
2 federal regulations.

3 HB1273 requests the legislature's approval of the establishment of a special fund for deposits
4 from Medicaid allowable costs to administer the HCBS I/DD waiver. Without a special fund,
5 DOH is limited in its ability to implement and to timely comply with federal requirements
6 for operating the HCBS I/DD waiver, including the Final Rule on Community Integration and
7 its Home and Community-Based Settings regulations. Implementation of these regulations
8 and provision of quality services that meet Medicaid waiver requirements requires an adequate
9 infrastructure and practices at all levels of the DDD program. The monies from this special
10 fund will be used to meet these requirements and to modernize overall operations. Specific uses
11 of the proposed fund are:

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

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

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

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

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

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

24 **Offered Amendments:**

25 The Department respectfully requests the following amendments:

1 **1. Delete SECTION 5 on pp. 12-15**

2 Section 5 requests the Developmental Disabilities Council to convene a task force to draft
3 language and training materials that are incongruent with the statutory definition of
4 eligibility for DDD services and the DD Act of 2000 upon which the DDD statute, HRS
5 chapter 333F, is based. It proposes the task force disseminate these materials that itemize
6 certain conditions that are causes of I/DD, and with broader reach than is covered in
7 chapter 333F or can be covered by the Medicaid I/DD Waiver. In HCBS programs,
8 eligibility is not based on a diagnosis, but on a Level of Care (LOC) assessment of the
9 person’s functional limitations. In Hawaii’s Medicaid 1915(c) HCBS I/DD waiver,
10 participants must have an intellectual and/or developmental disability and meet an
11 institutional LOC, which means they must have substantial functional limitations in three
12 or more areas of major life activity such as self-care, receptive and expressive language,
13 learning, mobility, self-direction, capacity for independent living, and economic self-
14 sufficiency. The institutional LOC for the I/DD waiver is an Intermediate Care Facility for
15 Individuals with Intellectual Disability (ICF/IID). Children can be made eligible if they
16 have the probability of meeting this eligibility by age nine. The inclusion of eligible
17 conditions, especially of this broad range, that do not meet LOC requirements would
18 likely not be approved by CMS, and 100% state funds would be needed to provide
19 services. A full cost analysis would be needed. The Department is willing to discuss any
20 concerns that may be raised by parents and families. The Department is willing to discuss
21 any concerns that may be raised by parents and families.

22 **2. Delete SECTION 6 on page 15**

23 This section would require DOH to discontinue its current assessment system which uses
24 the Supports Intensity Scale (SIS) to determine support needs and Individual Support
25 Budgets, and is the foundation of the rate structure. The SIS and the rate methodologies
26 are requirements of the HCBS Waiver approved by CMS. Discontinuance of a waiver
27 requirement of this magnitude without CMS approval through a waiver amendment

1 would result in non-compliance with waiver requirements. This may place federal
2 funding of HCBS Waiver services at risk, where the State is not operating the waiver in
3 conformity with the CMS-approved waiver and could result in the state needing to pay
4 the entire cost of waiver services which is approximately \$140 million a year.

5 3. Correct misspellings of “waiver” on Page 5, line 16, and Page 9, line 4.

6

7 Thank you very much for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

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

February 19, 2019

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

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 1273 HD 1 – RELATING TO HEALTH**

Hearing: Wednesday, February 20, 2:00 p.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the bill and offers comments. DHS has serious concerns regarding the HD 1 amendments, which is why it strongly supports the amendments offered by the Department of Health (DOH) in its testimony.

PURPOSE: The purpose of the bill is to create an Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming special fund. HD 1 amendments include:

- "(1) Expanding the scope of the task force to include the development of appropriate materials to include in the Developmental Disabilities Division of the Department of Health's intake booklet that cover a wide spectrum of eligible conditions of developmental disabilities;
- (2) Changing the sunset date on the task force to January 1, 2020;
- (3) Requiring the Department of Health to revert to prior client evaluation metrics until all service providers and recipients are educated on the new evaluation metrics;

(4) Appropriating funds to the Department of Health out of the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund for FY 2020-2021 to fulfill the purposes of this measure;

(5) Changing the effective date to July 1, 2050, to promote further discussion; and

(6) Making technical, nonsubstantive amendments for clarity, consistency, and style."

The Medicaid program is administered and overseen by the Med-QUEST division (MQD) of DHS. The operations for the Intellectual and Developmental Disabilities (I/DD waiver) are delegated to DOH, Developmental Disabilities Division (DOH-DDD). Because DOH-DDD operates the waiver on the behalf of DHS, DOH-DDD may claim a 50% federal Medicaid administrative match.

HB 1273 requests the legislature's approval for the establishment of a special fund for deposits from Medicaid allowable costs to administer the I/DD waiver. DOH-DDD's ability to implement new federal requirements that require significant changes to the I/DD waiver's operations is negatively impacted without this. DHS supports the creation of a special fund so DOH-DDD can build and sustain the necessary infrastructure to meet the challenges of these new federal requirements.

DOH-DDD needs adequate infrastructure to implement these requirements as well as to continue to operate a high-quality program. Specifically, the monies from the special 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.

DOH offers two amendments in its testimony, and DHS strongly supports those amendments. The state may lose its federal matching funds for the I/DD waiver if this bill were to pass without the amendments suggested by DOH. The total budget for waiver servers would grow to approximately \$140 million dollars a year in state funds.

The first suggested amendment is to delete Section 5 on pages 12-15. Section 5 establishes a task force to examine and evaluate the application process of the I/DD waiver and to develop appropriate materials to include within the DOH-DDD intake booklet and training materials to list additional eligible conditions of developmental disabilities such as cerebral palsy, epilepsy, autism spectrum disorder, fetal alcohol spectrum disorder and any disorder due to a neurological condition, central nervous system disorder, or chromosomal disorder that results in either substantial impairment of general intellectual functioning or adaptive behavior skill deficits.

We do appreciate the desire to list particular diagnoses and to create training materials to help families navigate what can seem to be a complicated and challenging system of care for their child or themselves. However, this language is not aligned with how the federal government approves and finances 1915(c) waiver programs. The federal government only approves and authorizes matching funds for programs that determine eligibility on an individual's functional need for the services, not their diagnosis. All individuals eligible for services under a 1915(c) waiver must always meet a Level of Care (LOC) criteria that they have functional limitations that demonstrate the need for HCBS.

For the federal government, an individual receiving HCBS for I/DD waiver services must be an individual who would otherwise require the level of care furnished in Intermediate Care Facilities for Individuals with Intellectual Disability (ICD/IID). DOH-DDD currently uses a LOC evaluation process that meets these federal criteria.

The bill suggests that the functional need for the listed diagnoses is either substantial impairment of general intellectual functioning or adaptive behavior skill deficits. This definition of need for services would not meet federal standards, which require an ICF/IID Level of Care. Simply put, the state would have to use state-only dollars to provide HCBS to the individuals described in this bill who do not meet federal LOC requirements.

DOH also suggests that Section 6 on page 15 be deleted. Section 6 would have DOH revert to the prior system for evaluation of clients to determine need levels and support budgets for services provided by the I/DD waiver until all service providers and recipients have been educated on the new evaluation metrics or January 1, 2021, whichever occurs first.

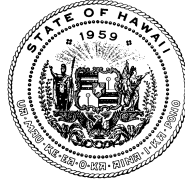
The current criteria to determine need levels and supports budgets for the I/DD waiver program was approved by the federal government when the I/DD waiver was renewed. It is not an option under the current approval to go back to the previous process for even a short period of time.

The state will be in non-compliance with the federal government if it reverts to a previous evaluation method without federal approval of a waiver amendment. This will put the state at risk of having to pay for some, or perhaps all, I/DD waiver services with state-only funds if it changes the evaluation process before an amendment may be approved. In the experience of DHS, waiver amendments and approvals can take months or more than a year to develop, draft, circulate with stakeholders, finalize, submit to the federal government, negotiate, and finally receive approval.

DHS appreciates the intent to educate all service providers and recipients on the new evaluation processes and standards, but thinks that reverting to the old evaluation process would result in a greater amount of state-only funds being used to cover services that are otherwise paid for by the federal government through matching funds.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR OF HAWAII



CAROLINE CADIRAO
PSM MANAGER

BRUCE ANDERSON
DIRECTOR OF HEALTH

STATE OF HAWAII
EXECUTIVE OFFICE ON AGING
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Testimony in SUPPORT of HB1273
Relating to Health

COMMITTEE ON FINANCE
REPRESENTATIVE SYLVIA LUKE, CHAIR
REPRESENTATIVE TY J.K. CULLEN, VICE CHAIR

Testimony of Caroline Cadirao
PSM Manager, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: February 20, 2019
2:00 PM

Room Number: 308

- 1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
- 2 of Health supports HB 1273, HD 1 Relating to Health.
- 3 **Purpose and Justification:** The purpose of this bill is to: 1) establish a special fund for the
- 4 intellectual and developmental disabilities Medicaid waiver administrative claiming funds in the
- 5 Developmental Disabilities Division (DDD); and, 2) require the State Council on Developmental
- 6 Disabilities to establish a working group to examine and evaluate the application process of the
- 7 Hawaii Medicaid section 1915(c) home and community-based services for people with
- 8 intellectual and developmental disabilities waiver.
- 9 The Centers for Medicare and Medicaid Services (CMS) allows Medicaid administrative
- 10 claiming for the proper and efficient administration of the waiver. Currently, the limited funds
- 11 that DDD is claiming for their waiver operations are deposited into the general fund and
- 12 unavailable for the proper and efficient administration of the waiver. A special fund would

1 address the CMS requirements for administering the waiver and enable the DDD to comply with
2 the new federal mandates governing home and community based waiver services.

3 Regarding Section 5 of the bill requiring the State Council in Developmental Disabilities
4 to establish a working group to examine and evaluate the application process of the Hawaii
5 Medicaid 1915(c) waiver, EOA understands this working group convened last year and has
6 published a report. Hence, this section is not necessary.

7 **Fiscal Implications:** EOA defers to DDD and the State Council for Developmental Disabilities
8 for the fiscal implications of this bill.

9 Thank you for the opportunity to testify.



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 20, 2019

The Honorable Representative Sylvia Luke, Chair
House Committee on Finance
Thirtieth Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Luke and Members of the Committee:

SUBJECT: HB 1273 - Relating to Health

The State Council on Developmental Disabilities **supports HB 1273 HD1**. The proposed measure will Create the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund into which federal moneys may be deposited from DOH's participation in the waiver program established per SSA §1915(c). Establishes task force to examine existing §1915(c) waiver application process. Appropriates funds for FY 2020-2021. 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.

The Council held Task Force meetings as requested in last year's proposed HB538. The DOH/DDD and the Hawaii Disability Rights Center (HDRC) were contributing members. Although we felt we fulfilled the requirements of the Task Force as outlined in proposed HB538, HDRC reports; parents and individuals with developmental disabilities continue to need the support of a Task Force to address broader issues. We appreciate the legislatures support in addressing these issues by adding line 21 on page 12 and lines 1-8 on page 13 in HB 1273 HD1.

We support the Task Force to examine the existing SSA §1915(c) waiver application process, which should include looking at existing and proposed categories of individuals considered to have intellectual and developmental disabilities and proposing an exemplary, not exclusionary list, consistent with relevant federal criteria that apply to individuals with intellectual and developmental disabilities.

Thank you for the opportunity to submit testimony in **support of HB 1273 HD1**.

Sincerely,

Daintry Bartoldus
Executive Administrator

HB-1273-HD-1

Submitted on: 2/16/2019 1:26:03 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Louis Erteschik	Hawaii Disability Rights Center	Comments	Yes

Comments:

We strongly support the provision in the bill that establishes a Task Force within the DD Council to examine the practices of the Developmental Disabilities Division. Last year, our office received an increase in the number of complaints about the DD Division. The nature of the complaints ranged from concerns about the restrictive eligibility policies as well as an intake system that is very unfriendly to the consumers. Parents had experienced lengthy delays in the processing of applications and it appeared that the Division's Compliance Office was thwarting requests for openness and information. In response to these concerns, Rep. Mizuno convened several meetings 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. The DD Council voluntarily undertook to convene this Work Group.

We applaud the effort of the DD Council in the past year. However, we believe that the work needs to continue and to also have the authority of an act of the Hawaii Legislature. Beyond that, however, it seems that the problems with the DD Division have gotten worse-not better. In addition to the aforementioned problems, there has been a serious reduction in services to the clients. Clients are being re-evaluated utilizing a new tool and the Division has been using that as an excuse to reduce services. People are not being provided with a clear explanation of the reasons for the cuts or with sufficient information on their rights. There is a tremendous amount of confusion among the recipients of DD services. So, a Task Force is needed now more than ever. Additionally, we noted that during this session, there have been proposals to create an autism waiver as well as to include fetal alcohol spectrum disorder within the definition of developmental disability. The DD division has opposed both of those measures. While we too had some questions about some specifics of those bills, we believe that both of them were well intentioned and that the issues they raised merit further discussion.

We were pleased to see that the HD1 version was amended to have the DD Council Task Force examine issues related to the concepts that were contained in those bills. We were also pleased to see the Committee Report note the concerns we stated regarding the Developmental Disabilities Division. We suggest further amendments to the bill. We believe that the directive to cease using the current evaluation tool is a good

provision. However, it qualifies its language by stating that the cessation shall last until providers and recipients have been educated on the new evaluation metrics. We believe this language is too open ended and allows the Division to claim that everyone has been trained and so in effect that can nullify the provision. We believe the better course would be for legislature to have the Legislative Auditor conduct a financial and management and programmatic of the DD Division and direct the Department to refrain from any reductions in services until the Audit is completed and the Legislature has had an opportunity to receive a full briefing next session.

Hawai'i Psychological Association

For a Healthy Hawai'i

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Testimony in SUPPORT of HB1273_HD1
RELATING TO HEALTH

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair

Wednesday, February 20, 2019, 2:00PM
Conference Room 308
State Capitol
415 South Beretania Street

Hawai'i Psychological Association (HPA) supports HB1273_HD1 and its intention to capture more federal funding for use by the Developmental Disabilities Division. HPA especially endorses the idea of a task force to study the waiver process that is part of this bill. HPA supports all efforts by the state to find ways of utilizing federal Medicaid reimbursement to better meet the needs of the people of Hawai'i, particularly the large group of people with developmental disabilities who do not qualify for services under the current Medicaid waiver.

Thank you for the opportunity to provide input into this important bill.

Sincerely,

Julie Takishima-Lacasa, PhD
Chair, HPA Legislative Action Committee

HB-1273-HD-1

Submitted on: 2/18/2019 5:18:59 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kenichi Yabusaki	Hawaii Fetal Alcohol Spectrum Disorders Action Group	Support	Yes

Comments:

Aloha Finance Committee Members: I strongly support HB1273D1 to create a special fund from which Federal monies can be deposited into Hawaii's DOH funds so more developmentally disabled individuals can have access to DD services they so desperately need. Our government which charges the DOH to create funds for DD services must ensure funds are wisely used. Currently, there are too many guidelines that create exclusions from an apparent lack of understanding there is no sound correlation between IQ and Adaptive functionality. I humbly ask that you support HB1273D1 and please include DD services for those afflicted with fetal alcohol spectrum disorders and consider them on par with those afflicted by autism, cerebral palsy, Downs Syndrome and spina bifida. This is an issue of "Disability" not what kind of disability. Mahalo nui, Aloha a hui hou,

Kenichi Yabusaki, Ph.D.



Achieve with us.

**Testimony in SUPPORT of HB1273 HD 1
Relating to Health**

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

Hearing Date: February 20, 2019; 2:00pm

Room Number: 308

Honorable Representatives:

The Arc in Hawaii supports the Proposed HB1273 HD 1 concerning the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund. We do not support the two amendments found in Sections 5 and 6 in the bill.

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. HB1273, HD 1 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.

Amendment #1- Regarding Section 5 of the bill requiring the State Council in Developmental Disabilities to establish a working group to examine and evaluate the application process of the Hawaii Medicaid 1915 (c) waiver, The Arc understands this working group was established last year and a report was published. As such, we feel this section is not necessary. Moreover, the proposed scope of the task force may put the waiver at jeopardy of receiving Medicaid dollars as our understanding is the waiver participants must meet a certain level of care based on their functioning.

Amendment #2- Regarding Section 6 of the bill requiring DOH to discontinue its current assessment system based on the Supports Intensity Scale (SIS) is concerning to The Arc. While the SIS may not be perfect, it is our understanding that the SIS has been approved by CMS. Our concern is that if the SIS

were discontinued without CMS' approval, the result would be non-compliance. If the State of Hawaii is non-compliant, our fear is that we would lose our funding. Where would our participants be then? Who would fund the services? Would this burden be the responsibility of the State alone? And if that is so, do we have those funds to do so? We must do all we can to be in compliance with CMS as the risk to those we serve is too great if we are not. Our recommendation is to leave the SIS in place.

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 HB 1273 HD 1 to provide adequate financial resources for DOH DDD as we all move forward.

Thank you very much for allowing us to submit testimony.

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

MAILING ADDRESS

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Federal ID
99-0108896

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

From: Michele Ku, President and Chief Executive Officer

Date: February 20, 2019, 2:00 pm, Room 308

RE: **HB 1273 HD 1**
Relating to Health
Medicaid Waiver Administrative Claiming Special Fund

The Arc of Kona **supports the overall intent of HB 1273 HD 1**, which would establish the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund. **We do not support Sections 5 or 6 of HB 1273 HD 1.**

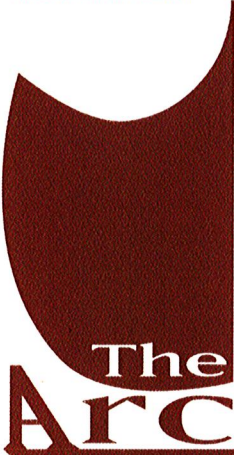
The Arc of Kona is located on the Big Island of Hawaii and provides Medicaid Waiver Home and Community Based Services to individuals with Intellectual and Developmental Disabilities (I/DD) island-wide. We appreciate and support DD Division's continuous efforts to build, further strengthen, and sustain the infrastructure that supports Hawaii's Medicaid Waiver services. There have been numerous necessary changes to the waiver and this fund would enable DD Division to meet federal requirements and implement these requirements efficiently and effectively throughout the state. The fund would be utilized in six key areas which we believe would have tremendous positive impact on both service providers and the individuals we serve.

Regarding Section 5: **We do not support this section** of HB 1273 HD 1. This section calls for the development of a task force that would be responsible for developing appropriate materials to include a broad range of additional eligible conditions that are inconsistent with the definition of a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000. Eligibility for Medicaid Waiver Home and Community Based Services is based on a Level of Care assessment of the individual's functional limitations. In our HCBS waiver, individuals must meet an institutional Level of

United
Way



carf
Commission on Accreditation
of Rehabilitation Facilities



www.arcofkona.org

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

Care meaning the person must have substantial functional limitations in three or more areas of major life activity. Eligibility is not based on a diagnosis. The inclusion of eligible conditions that do not meet Level of Care requirements would likely not be approved by the Centers for Medicare and Medicaid Services (CMS) which could result in the need for 100% state funds to provide services.

Regarding Section 6: **We do not support this section** of HB 1273 HD 1. This section would require DD Division to discontinue the current Supports Intensity Scale (SIS) assessment system which is the foundation of the current rate structure and used to determine support needs and Individual Support Budgets. The SIS and the rates are requirements of the HCBS Waiver approved by CMS. Discontinuance of this waiver requirement without CMS approval through a waiver amendment process would result in non-compliance with the waiver. This could likely result in the need for the state to fund the full cost of waiver services which is currently approximately \$140 million per year.

Thank you for the opportunity to submit testimony regarding HB 1273 HD1.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michele L. Ku", with a large, stylized flourish at the end.

Michele L. Ku
President and Chief Executive Officer



HAWAII SUBSTANCE ABUSE COALITION

HB1273 Medicaid Administration Waiver

COMMITTEE ON FINANCE:

- Rep. Luke, Chair; Rep. Cullen, Vice Chair
- Wednesday, Feb. 20, 2019: 2:00 pm
- Conference Room 308

Hawaii Substance Abuse Coalition Supports HB1273:

GOOD MORNING CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of almost 40 non-profit alcohol and drug treatment and prevention agencies.

HSAC supports the collection of 50% federal funds match to administer a waiver that would help to defray the rising costs to states for administration of Medicaid programs. This special fund will indirectly help people with intellectual and development disabilities, especially to promote community integration, quality and accountability.

Federal funds are needed to advance infrastructure for fiscal management, training stakeholders, quality management, IT, rate determinations and assessing support needs.

We appreciate the opportunity to provide testimony and are available for questions.

HB-1273-HD-1

Submitted on: 2/19/2019 1:16:12 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

Testimony on HB 1273

Easterseals Hawaii supports HB 1273 which would create the I/DD Medicaid Waiver Administrative Claiming Special Fund with amendments.

Easterseals Hawaii provides individualized, family-centered services to empower people with disabilities or special needs to achieve their goals and live independent, fulfilling lives. We have been serving special needs children, youth, and adults for 70 years and provide more than 500,000 hours of direct service annually to individuals and families across the state. Our clients, organization, and many other service providers will be directly affected by HB 1273.

Currently, Medicaid funds claimed by the Department of Health, Developmental Disabilities Division for administrative functions and targeted case management are deposited into the general fund which limits the ability to implement new federal requirements that require significant changes to the I/DD waiver's operations. 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. It also establishes a task force to examine existing §1915(c) waiver application process.

Specific uses for the proposed fund include payment for fiscal management services, more training for staff and stakeholders, provision of quality administration, and flexibility to better manage the Medicaid waiver program. Providers like Easterseals Hawaii would benefit greatly from these improvements and for that reason we support this bill with the proposed amendments by DOH-DDD.

Thank you very much for allowing us to submit testimony on behalf of HB 1273.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jennifer La'a", written over a horizontal line.

Jennifer La'a
CEO, Easterseals Hawaii

HB 1273

I offer testimony on two provisions in HB 1273, relating to health.

- I support the creation of a distinct intellectual and developmental disabilities waiver administrative claiming fund to hold waiver program funds authorized under the federal Social Security Act §1915(c).
- I support the establishment of a Task Force to examine the existing SSA §1915(c) waiver application process, which should include looking at existing and proposed categories of individuals considered to have intellectual and developmental disabilities and proposing an exemplary, not exclusionary list, consistent with relevant federal criteria that apply to individuals with intellectual and developmental disabilities. Further, I recommend that the Task Force be authorized to advise the Division of Developmental Disabilities on how to improve its waiver application process in such areas as, but not limited to – tests and procedures used to determine eligibility, timelines related to any notifications connected to eligibility determinations, content of service plans for eligible individuals, appeals process, and training for any individuals working in or affected by the waiver program.

I recommend that the eligibility requirements in particular, be evaluated to include individuals with normal IQs but function at a level that requires lifelong assistance, such as autism and fetal alcohol spectrum disorders.

LATE

HB-1273-HD-1

Submitted on: 2/20/2019 9:53:55 AM

Testimony for FIN on 2/20/2019 2:00:00 PM

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

Comments:

My name is Jim Kilgore and I am the Executive Director of Full Life. Full Life is a nonprofit organization serving people with developmental disabilities on Hawai'i Island since 2000.

I support HB1273 H1 because it allocates funding for training, quality management activities, improvements and maintenance of technology, assessment services, and ongoing rate studies.

All of these areas will result greater quality of services provided for people with developmental disabilities and their families.

Mahalo for your consideration.