



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:

December 26, 2019

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the

Annual Report providing an Accounting of the Receipts and Expenditures from the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund pursuant to Section 333F Hawaii Revised Statutes (HRS)

In accordance with Section 93-16, HRS, I am also informing you that the report may be viewed electronically at:

<https://health.hawaii.gov/opppd/departments-of-health-reports-to-2020-legislature/>

Sincerely,

A handwritten signature in black ink that reads "Bruce S. Anderson".

Bruce S. Anderson, Ph.D.
Director of Health

Enclosures

REPORT TO THE THRITIETH LEGISLATURE

**STATE OF HAWAII
2020**

**PURSUANT TO CHAPTER 333 F
HAWAII REVISED STATUTES**

**THE DEPARTMENT OF HEALTH SHALL SUBMIT TO THE LEGISLATURE NO
LATER THAN TWENTY DAYS PRIOR TO THE CONVENING OF EACH
REGULAR SESSION A REPORT THAT PROVIDES AN ACCOUNTING OF THE
RECEIPTS OF AND EXPENDITURES FROM THE INTELLECTUAL AND
DEVELOPMENTAL DISABILITIES MEDICAID WAIVER ADMINISTRATIVE
CLAIMING SPECIAL FUND**



PREPARED BY:

**STATE OF HAWAII
DEPARTMENT OF HEALTH
DECEMBER 2019**

EXECUTIVE SUMMARY

Act 165, H.B. No. 1273 of the 2019 Hawaii Legislative Session established the Hawaii State Department of Health (DOH), Developmental Disabilities Division (DDD) Medicaid Waiver Administrative Claiming Special Fund in order to deposit the moneys received from federal financial participation. The moneys collected would be expended on administration of the waiver and meet federal requirement for community integration, quality, and accountability.

Chapter 333F, Hawaii Revised Statutes, was amended as a result of Act 165, H.B. No. 1273 and it mandates the DOH-DDD to annually report the amount of moneys deposited into and expended from the Medicaid waiver administrative claiming special fund and the sources of receipts for the expenditures (see Exhibit A).

**REPORT TO THE LEGISLATURE
IN COMPLIANCE WITH CHAPTER 333F, SECTION
23, HAWAII REVISED STATUTES**

Introduction

The Hawaii State Department of Health (DOH), Developmental Disabilities Division (DDD) provides a system of supports and services for persons with intellectual and developmental disabilities (I/DD) who have substantial functional limitations in major life activities and are eligible to receive services. The DOH-DDD is the operating agency for the Hawaii Medicaid Home and Community-Based Services (HCBS) for people with Intellectual and Developmental Disabilities Waiver (I/DD Waiver) pursuant to section 1915(c) of the Social Security Act.

Title XIX of the Social Security Act allows states to claim federal financial participation (FFP) at a payment rate of fifty percent (50%) for administrative expenditures related to “proper and efficient” administration of its Medicaid state plan, with certain administrative costs matched at a higher FFP. Claims for Medicaid administrative FFP must come directly from the single state Medicaid Agency, which is the Department of Human Services, Med-QUEST Division (DHS-MQD). The DOH-DDD and DHS-MQD have a Memorandum of Agreement for operating the I/DD Waiver, and DOH-DDD can claim allowable administrative expenses for the proper and necessary costs incurred in operating the I/DD Waiver. Costs are supported by an allocation methodology that appears in the state’s approved Public Assistance Cost Allocation Plan.

ACT 165, 2019

Act 165, H.B. No. 1273 of the 2019 Hawaii Legislative Session established the DOH-DDD Medicaid Waiver Administrative Claiming Special Fund in order to deposit the moneys received from FFP for operating the HCBS I/DD Waiver. The moneys collected are to be expended on administration of the waiver and to meet federal requirement for community integration, quality, and accountability. The DDD statute Chapter 333F, Hawaii Revised Statutes (HRS), "Services for Persons with Developmental or Intellectual Disabilities," was amended (Exhibit A), as a result of Act 165, H.B. No. 1273. Act 165 set the spending ceiling for this Special Fund for FY2020 at \$900,000.

Act 165 defines specific purposes for the use of the funds. These are:

- (1) Payment for fiscal management services of the Hawaii Home and Community-Based Services for People with Intellectual and Developmental Disabilities Waiver pursuant to section 1915(c) of the Social Security Act;
- (2) Training of staff, waiver providers, waiver participants, family members of waiver

- participants, legal representatives of waiver participants, and community stakeholders;
- (3) Quality management activities for operating the Hawaii Home and Community-Based Services for People with Intellectual and Developmental Disabilities Waiver pursuant to section 1915(c) of the Social Security Act;
 - (4) Ongoing operations and maintenance of the information technology system;
 - (5) Conducting rate methodology studies to define rates for the Hawaii Home and Community-Based Services for People with Intellectual and Developmental Disabilities Waiver pursuant to section 1915(c) of the Social Security Act; and
 - (6) Assessment of services for determining each participant's level of support needs.

Act 165 requires an annual report that provides an accounting of the receipts of and expenditures from the Intellectual and Developmental Disabilities Medicaid Wavier Administrative Claiming Special Fund.

Receipts and Expenditures

As of November 1, 2019, the DOH-DDD has claimed \$3,405,330 through Medicaid Administrative Claiming for allowable claims during Fiscal Year 2019. Of this, \$2,594,974 has been received in the DOH-DDD Medicaid Waiver Administrative Claiming Special Fund as follows:

<i>Date of Receipt</i>	<i>Claiming period</i>	<i>Amount</i>
	Quarter 1, Fiscal Year 2019	\$885,470
	Quarter 2, Fiscal Year 2019	\$1,104,887
	Quarter 3, Fiscal Year 2019	\$604,617
Pending receipt	Quarter 4, Fiscal Year 2019	\$810,356
TOTAL CLAIMED		\$3,405,330

Displayed below is the expenditure plan for Fiscal Year 2020. Actual expenditures are pending as indicated.

<i>Authority in Act 165</i>	<i>Contractor</i>	<i>Amount Planned for Special Fund</i>	<i>Status</i>
Fiscal management services	Acumen	\$200,000	Pending approval and encumbrance
Operations and maintenance of IT system: System Integration	RSM	\$327,000	Pending Governor's approval of staffing memo request and contract modification
Rate methodology studies	Burns & Associates	\$125,000	Contract Modification in Process
Training	Community Circle, PLLC	\$45,600	Contract funds encumbered
Training	Hilopa's Family to Family, Inc.	\$49,500	Agreement of services in process
Training	Employment Insight	\$2,400	Executed agreement & funds encumbered
Assessment services: Supports Intensity Scale-training and data management	Human Services Research Institute	\$25,000	Contract planning in process
Medicaid waiver application and technical guidance training	To be determined	\$75,000	Pending
Training	Health Management Associates	\$49,940	Contract planning in process
Printing/Education Materials	Pending	\$560	Pending
TOTAL PLANNED EXPENDITURES		\$900,000	

EXHIBIT A: SECTION 333F-23, HAWAII REVISED STATUTES

"§333F-23 Intellectual and developmental disabilities

medicaid waiver administrative claiming special fund. (a)

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

- (1) All revenues from medicaid administrative claiming designated for the department that are allowable for operating the Hawaii home and community-based services for people with intellectual and developmental disabilities waiver pursuant to section 1915(c) of the Social Security Act;
- (2) Appropriations made by the legislature to the fund;
- (3) Other grants and gifts made to the fund; and
- (4) Any income and capital gains earned by the fund.

(b) Moneys in the intellectual and developmental disabilities medicaid waiver administrative claiming special fund shall be used by the department for the following purposes:

- (1) Payment for fiscal management services of the Hawaii home and community-based services for people with intellectual and developmental disabilities waiver pursuant to section 1915(c) of the Social Security Act;
- (2) Training of staff; waiver providers; waiver participants, family members of waiver participants, legal representatives of waiver participants; and community stakeholders;
- (3) Quality management activities for operating the Hawaii home and community-based services for people with intellectual and developmental disabilities waiver pursuant to section 1915(c) of the Social Security Act;
- (4) Ongoing operations and maintenance of the information technology system;
- (5) Conducting rare methodology studies to define rates for the Hawaii home and community-based services for people with intellectual and developmental disabilities waiver pursuant to section 1915(c) of the Social Security Act; and
- (6) Assessment services for determining each participant's level of support needs.

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