

ACT 165

H.B. NO. 1273

A Bill for an Act Relating to Health.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The department of health developmental disabilities division is the operating agency for the Hawaii medicaid home and community-

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

Administrative claiming has become increasingly important to defray the rising costs to states for administration of medicaid programs but, to date, the department of health has conducted minimal administrative claiming. Without a special fund for depositing moneys received from federal financial participation for operating the home and community-based services waiver for persons with intellectual and developmental disabilities, the department lacks the infrastructure necessary to ensure the proper and efficient administration of the waiver and meet the growing federal requirements for community integration, quality, and accountability. The moneys received into this fund would come solely from medicaid administrative claiming pursuant to a cost allocation plan approved by the United States Department of Health and Human Services.

The requirements of operating the waiver are specified in the State's waiver application approved by the federal Centers for Medicare and Medicaid Services. Through the delegated functions, the department must ensure the health and welfare of waiver participants, coordinate services, and ensure service quality. Specific requirements for the operating authority include completing initial intake for new waiver applicants, completing annual re-determinations of level of care for continued eligibility, performing fiscal oversight to ensure that waiver enrollment and expenditures are managed against federally approved limits, implementing person-centered planning processes, developing and monitoring participant individualized service plans, pre-authorizing waiver services, managing utilization, enrolling qualified providers and provider monitoring, establishing a statewide rate methodology, developing policies and procedures for operating the waiver subject to department of human services approval, and implementing quality assurance and improvement activities for required performance measures. The department is contracting to develop a new information technology system to assist case managers in managing information and providing analytics. Many of the activities performed by department staff or contracted entities can be claimed as administrative costs. With moneys appropriated out of the special fund, the department of health will be able to meet compliance requirements for the State's section 1915(c) medicaid waiver for individuals with intellectual and developmental disabilities.

The purpose of this Act is to:

- (1) Establish the intellectual and developmental disabilities medicaid waiver administrative claiming special fund to allow for the deposit of federal funds received as part of the State's participation in the operation of home and community-based services under a section 1915(c) waiver; and
- (2) Require the department of health to work with the department of human services and other stakeholders to develop and distribute educational materials informing individuals with intellectual or developmental disabilities on how to access medicaid services and the types of medicaid services that are available.

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

“§333F- 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 waiver for persons with intellectual and developmental disabilities 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 waiver for persons with intellectual and developmental disabilities 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 waiver for persons with intellectual and developmental disabilities 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 waiver for persons with intellectual and developmental disabilities 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 waiver administrative claiming special fund.”

SECTION 3. (a) The department of health shall work with the department of human services and other stakeholders to develop and distribute information about accessing medicaid services for individuals with intellectual or developmental disabilities, or both. Education and training materials may also address an array of possible medicaid services for individuals with intellectual disabilities, autism spectrum disorders, cerebral palsy, epilepsy, and other developmental disabilities, some of which are caused by fetal alcohol spectrum disorders.

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

SECTION 4. There is appropriated out of the intellectual and developmental disabilities medicaid waiver administrative claiming special fund the sum

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of \$900,000 or so much thereof as may be necessary for fiscal year 2019-2020 for the purposes of this Act.

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

SECTION 5. New statutory material is underscored.¹

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

(Approved June 27, 2019.)

Note

1. Edited pursuant to HRS §23G-16.5.