
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 section 1915(c) Home and Community-Based Services for
4 People with Intellectual and Developmental Disabilities waiver.
5 The department of health operates the waiver pursuant to a
6 memorandum of agreement with the department of human services,
7 which is the state medicaid agency supervising the
8 administration of the waiver. Therefore, the department of
9 health can claim allowable medicaid federal financial
10 participation for the proper and necessary costs incurred by the
11 department in administering the waiver. Administrative claiming
12 has become increasingly important to defray the rising costs to
13 states for administration of medicaid programs. To date, the
14 department of health has conducted minimal administrative
15 claiming, and without a special fund to deposit and use



1 administrative federal financial participation for operating the
2 medicaid section 1915(c) Home and Community-Based Services for
3 People with Intellectual and Developmental Disabilities waiver,
4 the department will lack a fund to ensure the proper and
5 efficient administration of the waiver, and the growing federal
6 requirements for community integration, quality and
7 accountability.

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 assure the health and welfare of
12 waiver participants, coordinate services, and ensure the 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



1 utilization, enrolling qualified providers and provider
2 monitoring, establishing a statewide rate methodology,
3 developing policies and procedures for operating the waiver
4 subject to department of human services approval, and
5 implementing quality assurance and improvement activities for
6 required performance measures. The department is contracting to
7 develop a new information technology system to assist case
8 managers manage information and provide analytics. Many of the
9 activities performed by department staff or contracted entities
10 can be claimed as administrative costs.

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

14 **"§333F- Intellectual and developmental disabilities**

15 **Medicaid waiver administrative claiming special fund.** (a)

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



- 1 (1) All revenues from medicaid administrative claiming
2 designated for the department that are allowable for
3 operating the Hawaii section 1915(c) Home and
4 Community-Based Services for People with Intellectual
5 and Developmental Disabilities waiver;
6 (2) Appropriations made by the legislature to the fund;
7 (3) Other grants and gifts made to the fund; and
8 (4) Any income and capital gains earned by the fund.
9 (b) Moneys in the intellectual and developmental
10 disabilities medicaid waiver administrative claiming special
11 fund shall be used by the department for the following purposes:
12 (1) Payment for fiscal management services of the Hawaii
13 section 1915(c) Home and Community-Based Services for
14 People with Intellectual and Developmental
15 Disabilities waiver;
16 (2) Training of staff, waiver providers, waiver
17 participants, their families, and their legal
18 representatives, and community stakeholders;
19 (3) Quality management activities for operating the Hawaii
20 section 1915(c) Home and Community-Based Services for



1 People with Intellectual and Developmental
2 Disabilities waiver;
3 (4) Ongoing operations and maintenance of the information
4 technology system;
5 (5) Conducting rate methodology studies to define rates
6 for the Hawaii section 1915(c) Home and Community-
7 Based Services for People with Intellectual and
8 Developmental Disabilities waiver; and
9 (6) Assessment services for determining participant's
10 level of support needs.
11 (c) The department shall submit to the legislature no
12 later than twenty days prior to the convening of each regular
13 session a written annual report that provides an accounting of
14 the receipts of and expenditures from the intellectual and
15 developmental disabilities medicaid waiver administrative
16 claiming special fund."

17 SECTION 3. Section 36-27, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) Except as provided in this section, and
20 notwithstanding any other law to the contrary, from time to



1 time, the director of finance, for the purpose of defraying the
2 prorated estimate of central service expenses of government in
3 relation to all special funds, except the:

- 4 (1) Special out-of-school time instructional program fund
5 under section 302A-1310;
- 6 (2) School cafeteria special funds of the department of
7 education;
- 8 (3) Special funds of the University of Hawaii;
- 9 (4) State educational facilities improvement special fund;
- 10 (5) Convention center enterprise special fund under
11 section 201B-8;
- 12 (6) Special funds established by section 206E-6;
- 13 (7) Aloha Tower fund created by section 206J-17;
- 14 (8) Funds of the employees' retirement system created by
15 section 88-109;
- 16 (9) Hawaii hurricane relief fund established under chapter
17 431P;
- 18 (10) Hawaii health systems corporation special funds and
19 the subaccounts of its regional system boards;



- 1 (11) Tourism special fund established under section 201B-
2 11;
- 3 (12) Universal service fund established under section 269-
4 42;
- 5 (13) Emergency and budget reserve fund under section 328L-
6 3;
- 7 (14) Public schools special fees and charges fund under
8 section 302A-1130;
- 9 (15) Sport fish special fund under section 187A-9.5;
- 10 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 11 [+](17)[+] Glass advance disposal fee established by section
12 342G-82;
- 13 [+](18)[+] Center for nursing special fund under section 304A-
14 2163;
- 15 [+](19)[+] Passenger facility charge special fund established
16 by section 261-5.5;
- 17 [+](20)[+] Solicitation of funds for charitable purposes
18 special fund established by section 467B-15;
- 19 [+](21)[+] Land conservation fund established by section 173A-
20 5;



- 1 [+] (22) [+] Court interpreting services revolving fund under
2 section 607-1.5;
- 3 [+] (23) [+] Trauma system special fund under section 321-22.5;
- 4 [+] (24) [+] Hawaii cancer research special fund;
- 5 [+] (25) [+] Community health centers special fund;
- 6 [+] (26) [+] Emergency medical services special fund;
- 7 [+] (27) [+] Rental motor vehicle customer facility charge
8 special fund established under section 261-5.6;
- 9 [+] (28) [+] Shared services technology special fund under
10 section 27-43;
- 11 [+] (29) [+] Automated victim information and notification system
12 special fund established under section 353-136;
- 13 [+] (30) [+] Deposit beverage container deposit special fund
14 under section 342G-104;
- 15 [+] (31) [+] Hospital sustainability program special fund under
16 [+]section 346G-4[+];
- 17 [+] (32) [+] Nursing facility sustainability program special fund
18 under [+]section 346F-4[+];
- 19 [+] (33) [+] Hawaii 3R's school improvement fund under section
20 302A-1502.4;



1 [+] (34) [+] After-school plus program revolving fund under
2 section 302A-1149.5; [~~and~~]
3 [+] (35) [+] Civil monetary penalty special fund under section
4 321-30.2[~~7~~]; and
5 (36) Intellectual and developmental disabilities medicaid
6 waiver administrative claiming special fund under
7 section 333F- ,
8 shall deduct five per cent of all receipts of all other special
9 funds, which deduction shall be transferred to the general fund
10 of the State and become general realizations of the State. All
11 officers of the State and other persons having power to allocate
12 or disburse any special funds shall cooperate with the director
13 in effecting these transfers. To determine the proper revenue
14 base upon which the central service assessment is to be
15 calculated, the director shall adopt rules pursuant to chapter
16 91 for the purpose of suspending or limiting the application of
17 the central service assessment of any fund. No later than
18 twenty days prior to the convening of each regular session of
19 the legislature, the director shall report all central service
20 assessments made during the preceding fiscal year."



1 SECTION 4. Section 36-30, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Each special fund, except the:

4 (1) Special out-of-school time instructional program fund
5 under section 302A-1310;

6 (2) School cafeteria special funds of the department of
7 education;

8 (3) Special funds of the University of Hawaii;

9 (4) State educational facilities improvement special fund;

10 (5) Special funds established by section 206E-6;

11 (6) Aloha Tower fund created by section 206J-17;

12 (7) Funds of the employees' retirement system created by
13 section 88-109;

14 (8) Hawaii hurricane relief fund established under chapter
15 431P;

16 (9) Convention center enterprise special fund established
17 under section 201B-8;

18 (10) Hawaii health systems corporation special funds and
19 the subaccounts of its regional system boards;



- 1 (11) Tourism special fund established under section 201B-
- 2 11;
- 3 (12) Universal service fund established under section 269-
- 4 42;
- 5 (13) Emergency and budget reserve fund under section 328L-
- 6 3;
- 7 (14) Public schools special fees and charges fund under
- 8 section 302A-1130;
- 9 (15) Sport fish special fund under section 187A-9.5;
- 10 †(16)† Neurotrauma special fund under section 321H-4;
- 11 †(17)† Center for nursing special fund under section 304A-
- 12 2163;
- 13 †(18)† Passenger facility charge special fund established by
- 14 section 261-5.5;
- 15 †(19)† Court interpreting services revolving fund under
- 16 section 607-1.5;
- 17 †(20)† Trauma system special fund under section 321-22.5;
- 18 †(21)† Hawaii cancer research special fund;
- 19 †(22)† Community health centers special fund;
- 20 †(23)† Emergency medical services special fund;



1 †(24)† Rental motor vehicle customer facility charge special
2 fund established under section 261-5.6;

3 †(25)† Shared services technology special fund under section
4 27-43;

5 †(26)† Nursing facility sustainability program special fund
6 established pursuant to [†]section 346F-4[†];

7 †(27)† Automated victim information and notification system
8 special fund established under section 353-136;

9 †(28)† Hospital sustainability program special fund under
10 [†]section 346G-4[†]; and

11 †(29)† Civil monetary penalty special fund under section 321-
12 30.2[†]; and

13 (30) Intellectual and developmental disabilities medicaid
14 waiver administrative claiming special fund under
15 section 333F- ,

16 shall be responsible for its pro rata share of the
17 administrative expenses incurred by the department responsible
18 for the operations supported by the special fund concerned."

19 SECTION 5. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ _____ or so



1 much thereof as may be necessary for fiscal year 2018-2019 for
2 deposit into intellectual and developmental disabilities
3 medicaid waiver administrative claiming special fund.

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

6 SECTION 6. There is appropriated out of the intellectual
7 and developmental disabilities medicaid waiver administrative
8 claiming special fund the sum of \$_____ or so much thereof
9 as may be necessary for fiscal year 2018-2019 to be used in
10 support of individuals with intellectual and developmental
11 disabilities.

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

14 SECTION 7. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 8. This Act, upon its approval, shall take effect
17 on July 1, 2018.

18

INTRODUCED BY: _____



Report Title:

Relating to Health. Intellectual and Developmental Disabilities
Medicaid Waiver Administrative Claiming Special Fund

Description:

Create the Intellectual and Developmental Disabilities Medicaid
Waiver Administrative Claiming Special Fund into which federal
moneys may be deposited from Department of Health participation
in the waiver program.

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*

