
A BILL FOR AN ACT

RELATING TO INTELLECTUAL AND DEVELOPMENTAL DISABILITIES MEDICAID
WAIVER ADMINISTRATIVE CLAIMING SPECIAL FUND.

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's
3 medicaid section 1915(c) home and community based services
4 medicaid waiver for individuals with intellectual and
5 developmental disabilities. The department of health operates
6 the waiver pursuant to a memorandum of understanding with the
7 department of human services, which is the state medicaid agency
8 supervising the administration of the waiver. Therefore, the
9 department of health can claim allowable medicaid federal
10 financial participation for the proper and necessary costs
11 incurred by the department in administering the waiver.
12 Administrative claiming has become increasingly important to
13 defray the rising costs to states for administration of medicaid
14 programs. To date, the department of health has conducted
15 minimal administrative claiming, and without a special fund in
16 which to deposit and from which to draw, federal financial



1 participation for operating the section 1915(c) home and
2 community based services medicaid waiver for individuals with
3 intellectual and developmental disabilities, the department will
4 lack a fund that is necessary to ensure the proper and efficient
5 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 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, monitoring



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

10 Therefore, the purpose of this Act is to create a special
11 fund for administering the section 1915(c) home and community
12 based services medicaid waiver for individuals with intellectual
13 and developmental disabilities.

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

17 "§333F- Intellectual and developmental disabilities
18 medicaid waiver administrative claiming special fund. (a)
19 There is established in the treasury of the State the
20 intellectual and developmental disabilities medicaid waiver



1 administrative claiming special fund, to be administered by the
2 department, into which shall be deposited:

3 (1) All revenues from medicaid administrative claiming
4 designated for the department that are allowable for
5 operating the Hawaii section 1915(c) home and
6 community based services medicaid waiver for
7 individuals with intellectual and developmental
8 disabilities;

9 (2) Appropriations made by the legislature to the fund;

10 (3) Other grants and gifts made to the fund; and

11 (4) Any income and capital gains earned by the fund.

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

15 (1) Payment for fiscal management services of the Hawaii
16 section 1915(c) home and community based services
17 medicaid waiver for individuals with intellectual and
18 developmental disabilities;

19 (2) Training of staff; waiver providers; waiver
20 participants, their families, and their legal
21 representatives; and community stakeholders;



1 (3) Quality management activities for operating the Hawaii
2 section 1915(c) home and community based services
3 medicaid waiver for individuals with intellectual and
4 developmental disabilities;

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

7 (5) Conducting rate methodology studies to define rates
8 for the Hawaii section 1915(c) home and community
9 based services medicaid waiver for individuals with
10 intellectual and developmental disabilities; and

11 (6) Assessment services for determining participants'
12 level of support needs.

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

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



1 "(a) Except as provided in this section, and
2 notwithstanding any other law to the contrary, from time to
3 time, the director of finance, for the purpose of defraying the
4 prorated estimate of central service expenses of government in
5 relation to all special funds, except the:

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

8 (2) School cafeteria special funds of the department of
9 education;

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

11 (4) State educational facilities improvement special fund;

12 (5) Convention center enterprise special fund under
13 section 201B-8;

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

15 (7) Aloha Tower fund created by section 206J-17;

16 (8) Funds of the employees' retirement system created by
17 section 88-109;

18 (9) Hawaii hurricane relief fund established under chapter
19 431P;

20 (10) Hawaii health systems corporation special funds and
21 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;

20 (11) Tourism special fund established under section 201B-
21 11;



- 1 (12) Universal service fund established under section 269-
2 42;
- 3 (13) Emergency and budget reserve fund under section 328L-
4 3;
- 5 (14) Public schools special fees and charges fund under
6 section 302A-1130;
- 7 (15) Sport fish special fund under section 187A-9.5;
- 8 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 9 [+](17)[+] Center for nursing special fund under section 304A-
10 2163;
- 11 [+](18)[+] Passenger facility charge special fund established
12 by section 261-5.5;
- 13 [+](19)[+] Court interpreting services revolving fund under
14 section 607-1.5;
- 15 [+](20)[+] Trauma system special fund under section 321-22.5;
- 16 [+](21)[+] Hawaii cancer research special fund;
- 17 [+](22)[+] Community health centers special fund;
- 18 [+](23)[+] Emergency medical services special fund;
- 19 [+](24)[+] Rental motor vehicle customer facility charge
20 special fund established under section 261-5.6;



[+] (25) [+] Shared services technology special fund under
section 27-43;

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

[+] (27) [+] Automated victim information and notification system
special fund established under section 353-136;

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

[+] (29) [+] Civil monetary penalty special fund under section
321-30.2 [7]; and

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

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

SECTION 5. There is appropriated out of the general
revenues of the State of Hawaii the sum of \$ or so
much thereof as may be necessary for fiscal year 2018-2019 to be
deposited into the intellectual and developmental disabilities
medicaid waiver administrative claiming special fund.



1 SECTION 6. There is appropriated out of the intellectual
2 and developmental disabilities medicaid waiver administrative
3 claiming special fund the sum of \$ or so much thereof
4 as may be necessary for fiscal year 2018-2019 to be used in
5 support of individuals with intellectual and developmental
6 disabilities.

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

9 SECTION 7. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 8. This Act shall take effect on July 1, 3000.



Report Title:

DOH; Intellectual and Developmental Disabilities Medicaid Waiver
Administrative Claiming Special Fund; Appropriation

Description:

Creates the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund into which federal moneys may be deposited from the Department of Health's participation in the waiver program. Appropriates funds to support individuals with intellectual and developmental disabilities. (SB2798 HD1)

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