



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

In reply, please refer to:

January 4, 2021

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

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-first 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 Accounting of the Receipts and Expenditures from the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund", pursuant to chapter 333 F Section 333F-23, 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-2021-legislature/>

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth A. Char".

Elizabeth A. Char, M.D.
Director of Health

Enclosures

c: Legislative Reference Bureau
Hawaii State Library (2)
Hamilton Library

REPORT TO THE THIRTY-FIRST LEGISLATURE

**STATE OF HAWAII
2021**

**PURSUANT TO CHAPTER 333 F SECTION 333F-23
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 2020**

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. Act 165, SLH2019 is now codified in 333F-23, HRS.

Chapter 333F, Hawaii Revised Statutes, was amended as a result of Act 165, SLH2019 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). This report is for deposits and expenditures for the Developmental Disabilities Division (DDD) Medicaid Waiver Administrative Claiming Special Fund for Fiscal Year 2020.

**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 by the Centers for Medicare and Medicare Services (CMS) 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 (Chapter 333F-23)

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. Act 165 is now codified in the DDD statute Chapter 333F, Hawaii Revised Statutes (HRS), "Services for Persons with Developmental or Intellectual Disabilities," as Chapter 333F-23 (Exhibit A).

According to Chapter 333F-23, the moneys collected from Medicaid administrative claiming are to be expended on administration of the I/DD waiver and to meet federal requirement for community integration, quality, and accountability. Act 165, SLH2019 set the spending ceiling for this Special Fund for FY 2020 at \$900,000.

Chapter 333F-23, HRS 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.

Chapter 333F-23, HRS requires an annual report that provides an accounting of the receipts of and expenditures from the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund.

Receipts and Expenditures

The DOH-DDD claimed \$3,405,330 through Medicaid Administrative Claiming for allowable claims for activities that occurred during Fiscal Year 2020. All funds were received in the DOH-DDD Medicaid Waiver Administrative Claiming Special Fund during Fiscal Year as follows:

<i>Claiming period</i>	<i>Date of Receipt in FY20</i>	<i>Amount Claimed in FY20</i>
Quarter 1, Fiscal Year 2019	October 2019	\$885,470
Quarter 2, Fiscal Year 2019	October 2019	\$1,104,887
Quarter 3, Fiscal Year 2019	October 2019	\$604,617
Quarter 4, Fiscal Year 2019	November 2019	\$810,356
TOTAL CLAIMS REIMBURSED BY CMS in FY2020		\$3,405,330

Displayed below are the expenditures from the Special Fund for Fiscal Year 2020. All expenditures aligned with authorities specified in Chapter 333F-23.

<i>Authority in Chapter 333F-23, HRS</i>	<i>Contractor</i>	<i>Contract Encumbrance</i>	<i>Expenditure as of 12/1/2020</i>
Fiscal management services	Acumen Fiscal Agent, LLC	\$200,000	\$200,000
Operations and maintenance of IT system	RSM US LLP	\$327,000	\$322,900
Rate methodology studies	Burns & Associates, Inc.	\$125,000	\$86,900
Training	Community Circle, PLLC	\$45,600	\$11,400
Training	Hilopa'a Family to Family, Inc.	\$49,500	\$0.00
Training	Employment Insight LLC	\$2,400	\$2,400
Assessment services: Supports Intensity Scale-training and data management	Human Services Research Institute	\$25,000	\$0.00
Training	Home and Community Consulting LLC	\$45,000	\$45,000
Training	Health Management Associates, Inc.	\$49,940	\$23,998
Assessment/Training/Travel	Travel expenses (airfare and rental car) for DDD staff to conduct training and assessments in March 2020.		\$270
TOTAL PLANNED EXPENDITURES FY 20		\$900,000	
TOTAL ENCUMBERED FY 20		\$869,440	
TOTAL EXPENDITURES AS OF 12/01/2020			\$692,868

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."