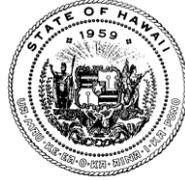


JOSH GREEN, M.D.  
GOVERNOR OF HAWAII  
KE KIA'AINA O KA MOKU'AINA 'O HAWAII

DEPT. COMM. NO. 114  
KENNETH S. FINK, MD, MGA, MPH  
DIRECTOR OF HEALTH  
KA LUNA HO'OKELE



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
P. O. BOX 3378  
HONOLULU, HI 96801-3378

In reply, please refer to:  
File:

December 29, 2023

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

The Honorable Scott K. Saiki, Speaker  
And Members of the House of  
Representatives  
Thirty-second State Legislature  
State Capitol, Room 431  
Honolulu, HI 96813

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

For your information, I am transmitting a copy of the following report.

An Accounting of the Intellectual and Developmental Disabilities Medicaid Waiver Administrative  
Claiming Fund, 2023

Pursuant to section 93-16, Hawaii Revised Statutes, this report may be viewed online at:

<https://health.hawaii.gov/opppd/department-of-health-reports-to-2024-legislature/>

Sincerely,

Kenneth S. Fink, MD, MGA, MPH  
Director of Health

Enclosures

C: Legislative Reference Bureau  
Hawaii State Library System (2)  
Hamilton Library

**REPORT TO THE THIRTY-SECOND LEGISLATURE**

**STATE OF HAWAII  
2023**

**PURSUANT TO CHAPTER 333F 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**

**October 2023**

## **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 requirements for community integration, quality, and accountability. Act 165, SLH2019 is now codified in 333F-23, Hawaii Revised Statutes (HRS).

Chapter 333F-23, HRS, 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 DDD Medicaid Waiver Administrative Claiming Special Fund for Fiscal Year 2023.

**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 most administrative expenditures related to the “proper and efficient” administration of its Medicaid state plan, with certain administrative costs matched by the Centers for Medicare and Medicaid 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 maintain a Memorandum of Agreement for operating the HCBS 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 the administration of the I/DD Waiver and meet federal requirements for community integration, quality, and accountability. Act 009, SLH2020 set the spending ceiling for this Special Fund for FY 2022 at \$6,400,000.00.

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 Wavier Administrative Claiming Special Fund.

**Receipts and Expenditures**

The DOH-DDD received \$4,711,583.46 through Medicaid Administrative Claiming for allowable claims for activities that occurred during Fiscal Year 2023. All funds were received in the DOH-DDD Medicaid Waiver Administrative Claiming Special Fund during Fiscal Year 2023 as follows:

<b>Claiming period</b>	<b>Amount Claimed in FY23</b>
Quarter 1, Fiscal Year 2023	\$2,240,081.22
Quarter 2, Fiscal Year 2023	\$917,524.12
Quarter 3, Fiscal Year 2023	\$1,553,978.12
Quarter 4, Fiscal Year 2023	\$0.00
<b>TOTAL CLAIMS REIMBURSED BY CMS IN FY2023</b>	<b>\$4,711,583.46</b>

**Summary**

The summary of claiming and expenditures including beginning and ending cash balances are reported below:

<b>ITEM</b>	
Beginning Cash Balance	\$7,012,952.11
Medicaid Waiver Administrative Claiming during FY23	\$4,711,583.46
Investment Pool (Source Code 0288)	\$142,262.41
Expenditures During FY23 as of June 30, 2023	\$4,360,978.56
Ending Cash Balance as of June 30, 2023	\$7,505,819.42

**Fiscal Year 2023 Expenditures and Encumbrances**

Expenditures based on Fiscal Year 2023 encumbrances, as of October 16, 2023 displayed below, totaled \$2,211,008. All expenditures aligned with authorized activities specified in Chapter 333F-23. It should be noted that DDD was able to utilize funds made available through §9817 of the American Rescue Plan Act for CMS approved activities, which allowed for a more moderate use of the Administrative Claiming Special Fund during the fiscal year

<i>Authority in Chapter 333F-23, HRS</i>	<i>Contractor</i>	<i>FY23 Contract Encumbrances</i>	<i>Expenditure as of 10/16/2023</i>
Rate Methodology Studies	Health Management Associates, Inc.	\$147,200	\$0.00
Assessment Services: Supports Intensity Scale-Training and Data Management	Acumen Fiscal Agent, LLC	\$470,376	\$375,686
Assessment Services: Supports Intensity Scale-Training and Data Management	American Association on Intellectual and Developmental Disabilities	\$500,000	\$224,469.20
Training of staff; waiver providers; waiver participants, family members of waiver participants, and community stakeholders	The Community Circle, dba The Community Circle, PLLC	\$68,000	\$1,000.00
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	Hilopa’a Family to Family, Inc	\$102,693.27	\$92,194.37
Assessment Services: Supports Intensity Scale-Training and Data Management	Human Services Research Institute	\$125,000	\$36,025
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	Human Services Research Institute	\$19,500	\$0.00

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	Myers and Stauffer LC	\$100,000	\$64,460
Training of staff; waiver providers; waiver participants, family members of waiver participants, and community stakeholders	National Association of State Directors of Developmental Disabilities Services	\$75,000	\$0.00
Center for Disability Studies Projects	University of Hawaii	\$94,148	\$31,699.11
Operations and Maintenance of IT System	RSM US LLP	\$1,176,500	\$1,176,500
Operations and Maintenance of IT System (Current Contract)	RSM US LLP	\$800,000	\$0.00
Training of staff; waiver providers; waiver participants, family members of waiver participants, and community stakeholders	RSM US LLP	\$30,000	\$30,000
Independent Verification & Validation Services	Public Consulting Group, Inc.	\$178,974	\$178,974
Independent Verification & Validation Services (Current Contract)	Public Consulting Group, Inc.	\$51,658.25	\$0.00
Implement a Project to Support Training and Startup of New Services	Research Corporation of the University of Hawaii	\$111,000	\$0.00
<b>TOTAL FY 23 ENCUMBERED</b>		\$4,050,049.52	
<b>TOTAL FY 23 EXPENDITURES (as of 10/16/2023)</b>			\$2,211,008

**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."