

**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
<b>TOTAL CLAIMS REIMBURSED BY CMS in FY2020</b>		<b>\$3,405,330</b>

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
<b>TOTAL PLANNED EXPENDITURES FY 20</b>		<b>\$900,000</b>	
<b>TOTAL ENCUMBERED FY 20</b>		<b>\$869,440</b>	
<b>TOTAL EXPENDITURES AS OF 12/01/2020</b>			<b>\$692,868</b>

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."