

STAND. COM. REP. NO.

2440

Honolulu, Hawaii

, 2006

FEB 17

RE: S.B. No. 3246
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 3246 entitled:

"A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES,"

begs leave to report as follows:

The purpose of this measure is to increase the level of care payment for adult residential care providers.

Your Committee received testimony in support of the measure from the Department of Human Services, the Hawaii Coalition of Care Home Administrators, the Hawaii Disability Rights Center, the Primary Care Providers of Hawaii, and the United Group of Home Operators.

Your Committee finds that this measure will provide adult residential care home operators with a long-overdue increase in the level of care payment while minimizing the effect of the increase on compliance with the Maintenance of Effort Agreement between the Department of Human Services and the Social Security Administration. Accordingly, the rate increase will be effective on January 1, 2007, because the Maintenance of Effort Agreement is based on the calendar year, rather than the State's fiscal year. Your Committee further finds that the payment authorized for July 1, 2006 is cost-neutral to the State because it uses funds already appropriated for State Supplemental Payments, which must be expended by the end of 2006 under the Maintenance of Effort Agreement.



Your Committee has amended this measure by:

- (1) Directing the Department of Human Services to make a payment on July 1, 2006, and thereafter as the Director determines a need, to individuals receiving State Supplemental Payments, using the unexpended portion of State funds that have been appropriated for level of care payments;
- (2) Reinstating the statutory language that provides level of care payment maximums; and
- (3) Inserting the figure of \$1,350,000 in the appropriation section.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3246, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,

Suzanne Chun Oakland
SUZANNE CHUN OAKLAND, Chair



