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February 25, 2008

MEMORANDUM

TO: Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Lillian B. Koller, Director

SUBJECT: H.B. 2062, H.D.1, RELATING TO LONG-TERM CARE

Hearing: Monday, February 25, 2008, 11:15 a.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of H.B. 2062, H.D.1 is to allow eligible persons who receive Medicaid funds for care at nursing home facilities to remain at home and receive home and community-based long-term care.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to allow individuals in Medicaid institutionalized settings to receive home and community-based long-term services. However, this bill is not necessary. This proposed bill would duplicate the current 1915(c) Medicaid Waiver services and current "Going Home" program.

The 1915(c) Medicaid Waiver programs provide comprehensive home and community-based long-term services for acute or chronically ill or disabled clients who are certified as

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requiring acute, skilled nursing, or intermediate facility level of care.

Since July 2003, the "Going Home" program has enabled over 834 "waitlisted" individuals requiring intermediate and skilled nursing care to relocate from acute hospital settings statewide to alternative residential care in Community Care Foster Family Homes (CCFFHs), Expanded Adult Residential Care Homes (E-ARCHs), or their own home, with care in home-like settings rather than institutions.

An increase in CCFFH beds has expanded the availability of home and community-based services. Since September 2005, statewide, there has been a 35% increase in CCFFHs. On the Neighbor Islands, where we have focused unprecedented recruitment efforts, the increase was 64%.

Additionally, the Department was recently awarded Federal funding from the Centers for Medicare and Medicaid Services to implement the "Going Home Plus" project. This project will expand the "Going Home" program by further assisting individuals in securing housing as well as providing other supports. This program will begin the transfer process for participants in August 2008. Currently, a broad-based group of community stakeholders is meeting as part of "Going Home Plus" to determine if there are further barriers that need to be resolved ensuring availability of home and community-based long-term care services to all Medicaid participants who want them.

In regards to the proposed language in section 346- (b), each 1915(c) Medicaid Waiver has specific Federal requirements regarding cost neutrality, that is different for each specific 1915(c) Medicaid Waiver. Therefore, the proposed language is inadequate.

In conclusion, although the Department appreciates the intent of this bill to allow individuals in Medicaid institutionalized settings to receive home and community-based long-term care services, this bill is not necessary. As stated, this proposed amendment would duplicate the current 1915(c) Medicaid Waiver Programs and the "Going Home" program.

Thank you for this opportunity to testify.

TESTIMONY TO THE TWENTY-FOURTH STATE LEGISLATURE, 2008 SESSION

To: House Committee on Finance

From: Gary L. Smith, President
Hawaii Disability Rights Center

Re: House Bill 2062, HD1
Relating to Long Term Care

Hearing: Wednesday, January 23, 2008 9:00 AM
Conference Room 329, State Capitol

Members of the Committee on Finance:

Thank you for the opportunity to provide testimony supporting House Bill 2062, HD1 Relating to Long Term Care.

I am Gary L. Smith, President of the Hawaii Disability Rights Center, formerly known as the Protection and Advocacy Agency of Hawaii (P&A). As you may know, we are the agency mandated by federal law and designated by Executive Order to protect and advocate for the human, civil and legal rights of Hawaii's estimated 180,000 people with disabilities.

We support this bill because it offers excellent potential to secure the placement of individuals in community settings. The legislature has seen many examples in the past year or two of the long waitlist for community housing experienced by patients in acute facilities. In addition, a briefing was recently provided by the Healthcare Association on the problems of placing "challenging" patients into community settings. One of the barriers identified has been the low cost of Medicaid reimbursement for these individuals. At the same time, Medicaid payments are made to facilities far in excess of what might otherwise be paid to these home and community based settings. Providing flexibility to the Department and the ability to transfer these Medicaid funds to pay more for the care of such individuals should greatly help to facilitate their community placements.

Thank you for the opportunity to provide testimony in support of this bill.