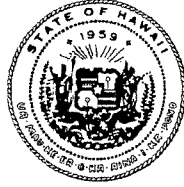


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DEPARTMENT OF HUMAN SERVICES
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April 3, 2008

MEMORANDUM

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

FROM: Lillian B. Koller, Director

SUBJECT: S.B. 2830, S.D. 2, H.D. 1 - RELATING TO CAREGIVING

Hearing: Wednesday, April 3, 2008, 2:30 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of S.B. 2830, S.D. 2, H.D. 1, is to extend the joint legislative committee on family caregiving; changes the committee's name to the joint legislative committee on aging in place; expands the committee's mandate to include aging in place issues related to family caregiving; requires the aging and disability resource center to report to the committee; requires the joint legislative committee to develop a model for a cash and counseling project; appropriates funds to the joint legislative committee; allows kupuna care to include overnight, weekend, and emergency respite, as well as provide grants to caregivers and for home modification; appropriates funds to the kupuna care program; establishes a task force to focus on the needs and issues of grandparents raising grandchildren; appropriates funds to the executive office on aging to continue

its respite inventory project in collaboration with the University of Hawaii; and increases payments for level of care for ARCH type I and II, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes by 7% from \$641.90 to \$686.83 for level I and from \$749.90 to \$802.39 for level II homes.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill, however, we cannot support this bill as written because it will have an adverse impact on the priorities in the Executive Supplemental Budget.

We would like to submit information to the Committee concerning the cost impact of Section 13 of this bill regarding the rate increases for ARCHs, RACCs, and other domiciliary care home operations by the proposed 7 percent.

The cost of the proposed 7 percent increase is \$1,304,819 for FY 09 for the increase from \$641.90 to \$686.83 for level I and from \$749.90 to \$802.39 for level II homes.

On prior occasions when the State Supplemental Payment (SSP) has been raised, the increase was in a dollar amount, not a percentage amount. The Department has no opinion on this methodology but wanted to highlight the fact that this is different from past practice.

The effect of the proposed increases is to further increase the disparity for the payments between Type I and Type II ARCHs who serve the same clients but have differing operating requirements.

The State of Hawaii also has a Maintenance of Effort (MOE) Agreement with the Social Security Administration which specifies that in each calendar year, DHS shall be required to make at least the same or greater amount of total monetary payments in the form of SSP to populations residing in designated living arrangements. Any time there is an increase in the SSP rate, the increase automatically raises the MOE requirement by that increased amount the following years and on-going indefinitely.

If the Legislature determines that a SSP increase is warranted, the Department respectfully asks that the implementation of the proposed rate increase does not adversely impact nor replace the priorities in the Executive Supplemental Budget.

Thank you for this opportunity to testify.

FINTestimony

From: Jan Shields [jan@SunshineRainbows.com]
Sent: Wednesday, April 02, 2008 1:58 PM
To: FINTestimony
Subject: 4/2/2008 SB2830 Agenda

I am in favor of this bill. We need to support our families in crisis. This bill makes sense, in that we can keep more of our elderly people in a home environment where they thrive much more than when they are institutionalized.

This is very difficult on family members who want to keep their parents or loved ones at home, yet they may have to work or have other obligations. Any support that we can give them will be a huge help.

Keeping these families together will also be a cost savings for the state.

Aloha,

jan

Jan Shields L.V.T., B.S.N., R.N.C.



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