



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P.O. Box 3378  
HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

House Committee on Finance

SB 2857, SD2, RELATING TO HOME CARE AGENCIES

Testimony of Chiyome Leinaala Fukino, M.D.  
Director of Health

March 28, 2008  
3:15 p.m.

1 **Department's Position:** The Department of Health supports this measure to license home care  
2 agencies with amendments and provided it does not adversely impact or replace the priorities in the  
3 Executive Supplemental Budget.

4 **Fiscal Implications:** There is an unspecified general fund appropriation for FY 2008-2009.

5 **Purpose and Justification:** The department respectfully requests that the SD 2 language in Section 2,  
6 beginning on line 19 be amended to restore the original intent of the definition language. The  
7 Department of Health (DOH), Department of Human Services (DHS), and the Healthcare Association of  
8 Hawaii (HAH) worked together to craft home care agency definition language that would not create  
9 unintended consequences for the home and community-based service programs under the jurisdiction of  
10 DHS such as the Senior Companion Program or the Respite Companion Program. This agreed-upon  
11 language appeared in the SD 1 version of this measure.

12 We appreciate the intent of SD 2 to provide less cumbersome language, but it inadvertently  
13 created a contradiction when it changed the language in the definition of home care agency.

14 We respectfully request that the language on page 3, Section 2, beginning on line 19 be amended  
15 in the following manner: "Home care agency does not include an individual, even when the individual  
16 is incorporated as a business, an unpaid or stipended volunteer,~~nor to~~ or any home- or community-

1 based [~~agency or entity providing services~~] service program under the jurisdiction of the department of  
2 human services.”

3 The department is in concurrence that all settings or agencies that provide health care and/or  
4 health related services to our vulnerable population (elderly and disabled) should be licensed to help  
5 ensure the safety of individuals receiving such care in their residence. The department recognizes that  
6 regulation in and of itself does not totally prevent abuse, neglect or exploitation; however, it would  
7 provide the mechanism to monitor, report incidents, and take appropriate action as necessary.

8 Thank you for the opportunity to testify.

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR

HENRY OLIVA  
DEPUTY DIRECTOR

STATE OF HAWAII  
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March 28, 2008

MEMORANDUM

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

FROM: Lillian B. Koller, Director

SUBJECT: S.B. 2857, S.D. 2 - RELATING TO HOME CARE AGENCIES

Hearing: Friday, March 28, 2008, 3:15 p.m.  
Conference Room 308, State Capitol

**PURPOSE:** The purpose of S.B. 2857, S.D. 2 is to protect consumers of home care services by: (1) requiring home care agencies to be licensed by the department of health; and (2) appropriating funds for a position in the department to assist with licensure and monitoring of home care agencies.

**DEPARTMENT'S POSITION:** The Department of Human Services supports the intent of this bill.

However, the Department strongly recommends that the language in this bill defining "home care agency" in section 321-\_\_\_ (c) be replaced with the definition of "home care agency" in the **S.D. 1** of this bill.

The definition for "home care agency" in S.D. 1 is as follows:

"Home care agency" means a public or proprietary agency, a private, non-profit organization, or a subdivision of  
AN EQUAL OPPORTUNITY AGENCY

such agency or organization, engaged in providing home care services to clients in the client's residence.

~~[Home care agency does not include]~~ This definition of home care agency shall not apply to an individual, even when the individual is incorporated as a business, an unpaid or stipended volunteer, nor to any home or community based ~~[agency or entity providing services]~~ service under the jurisdiction of the department of human services."

The Department feels that the language in S.D. 1 more accurately represents the original intent of the bill to exempt licensure requirements for senior service programs administered by the Department and family members, neighbors, and friends who provide chore, personal care, and respite services for their loved ones, including those individuals participating in the State Medicaid Waiver and Chore programs.

Thank you for this opportunity to testify.



HOUSE COMMITTEE ON FINANCE  
Rep. Marcus Oshiro, Chair

Conference Room 308  
March 28, 2008 at 3:15 p.m. (Agenda #2).

**Testimony in support of SB 2857 SD 2.**

I am Rich Meiers, President and CEO of the Healthcare Association of Hawaii, which represents the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to testify in strong support of SB 2857 SD 2, which requires all home care agencies to be licensed.

As the health care services sector evolves to respond to consumer demand we've seen growth in home and community based provider markets. More and more elderly and disabled people want to remain living in their homes rather than being institutionalized.

Health services provided in the home may include skilled and non-skilled services. Skilled care is typically provided by registered nurses. The agencies that employ them are known as home health agencies and are licensed by the State.

Home care agencies are differentiated from home health agencies in that they provide supportive services in the home. Examples of these services may include personal care services, companion services, social services, etc. All involve direct contact with the elder or disabled individual. Home care agencies are not licensed. The only requirement for operating a home care business in Hawaii is a general excise tax license.

Also, the similarity in the terms "home care" and "care homes" may be confusing. Care homes are licensed, so many people also believe, incorrectly, that home care agencies are licensed.

Home care services are adjunctive to other health services that residents receive. As such, ensuring a minimum level of competence of those providing these services is imperative.

Consumer safety is at risk. Since home care services are provided to frail and elderly consumers, we have an obligation to protect them from potential abuse, exploitation, and improper care. At a minimum, competence and criminal background checks of the providers of care should be established. Some home care agencies in the community are already aware of situations involving financial exploitation by other home care agencies, but there is no recourse for addressing these concerns unless a licensure system is established. It is vitally important to assure the public that home care services are safe.

This bill directs the Department of Health (DOH) to establish a licensure system that protects the health and safety of clients receiving services from home care agencies. Any home care agency that is not licensed will not be allowed to operate.

This bill has been needed for some time now to protect the many elderly and disabled people who receive home care. Any delay will only extend the potential for abuse at a time when the demand for home and community based services increases.

The bill should be amended to revert back to the definition of "home care agency" in the SD 1 version of the bill, which was agreed to by the various advocates of the bill.

With that amendment, the Healthcare Association of Hawaii strongly supports SB 2857 SD 2.