



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

In reply, please refer to:
File:

House Committee on Health
House Committee on Human Services and Housing

, SD2,

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

March 14, 2008
8:30 a.m.

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

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

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

11 We would like to point out that there is a typographical error on page 3, line 21. The language
12 should read "as a business, an unpaid or stipended volunteer, ~~not to~~ or any...."

13 Thank you for the opportunity to testify.

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HOUSE COMMITTEE ON HEALTH
Rep. Josh Green, M.D., Chair

HOUSE COMMITTEE ON HUMAN SERVICES & HOUSING
Rep. Maile Shimabukuro, Chair

Conference Room 329
March 14, 2008 at 8:30 a.m.

Testimony in support of SB 2857 SD 2.

I am Coral Andrews, Vice President 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 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 and are often paid for directly by the consumer. Examples of these services may include nursing services, personal care services, companion services, social services, etc. All involve direct contact with the elder or disabled individual. 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.

Home care agencies are not licensed. The only requirement for operating a home care business in Hawaii is a general excise tax license.

The HRS 2006 Cumulative Supplement, Vol. 7, Title 20-21, Chapters 346-398, 356D Long Term Care, Pg, 61 defines home care agency as "an agency licensed by the State to do business in Hawaii that provides home care services such as personal care, personal assistance, chore, homemaker, and nursing services in the individual's home. However, no provision for licensure exists in the State.

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. National statistics forecast that home care agencies are projected to grow 70% by the year 2014.

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Please note that the definition of "home care agency" continues to be discussed among the bill's advocates. An amendment was made following collaboration among DOH, DHS and HAH during the Senate Health and Human Services Committee. The definition of home care agency included in SB 2857 SD2 would allow DHS to contract with home care agencies that are not licensed. We do not agree with this.

It is our position that services provided in a consumer's home by a home care agency should not receive any differential oversight that is dependent upon whether a government agency contracts with them or not. All home care agencies should be subject to the same licensure standards. Requiring some home care agencies to be licensed and allowing others not to be licensed would create a two-tiered health care system. Quality of care should not be compromised regardless of a patient's income, social, or economic status.

The Healthcare Association of Hawaii recommends an amendment to the bill to change the definition of home care agency to revert to the definition in the bill as introduced.

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