

SB 415



SENATE COMMITTEE ON WAYS AND MEANS
Senator Donna Mercado Kim, Chair

Conference Room 211
February 27, 2009 at 9:00 a.m.

Expressing support of SB 415 SD 1 with an amendment.

The Healthcare Association of Hawaii advocates for its member organizations that span 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 express strong support of SB 415 SD 1, with an amendment that will be described below, which requires all home care agencies to be licensed.

The mandatory licensure of home care agencies is designed to assure the public that the services provided by such agencies comply with appropriate standards. Without mandatory licensure, these assurances cannot be given.

Home care is a rapidly growing sector of the health care continuum. It is a cost-effective service for many individuals who are recuperating from a hospital stay and also for many who, because of a functional or cognitive disability, are unable to take care of themselves.

Elderly and disabled people increasingly prefer to remain living in their homes rather than being institutionalized. Home care reinforces and supplements care provided in the home by family members and friends, maintaining the recipient's dignity and independence.

Unfortunately, home care is often confused with other types of health care. Home health agencies are currently licensed by the Department of Health. Home health is directed by a physician and focuses on services provided by licensed professionals, such as registered nurses, physical and occupational therapists, and speech therapists.

On the other hand, the Department of Health does not license home care agencies. Home care services are consumer directed, focusing primarily on services provided by non-medical personnel, often called custodial care. Home care services include assistance with tasks of daily living such as bathing and meal preparation, laundry, light housekeeping, errands, shopping, transportation, and companionship.

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

Without licensure, the safety of those who receive home care is at risk, especially since home care is in many cases provided to frail and elderly consumers. Unlike in an institutional setting, the home care worker is often alone with the consumer of services.

The State has an obligation to protect consumers from improper care, exploitation, and abuse. At a minimum, the competence of home care agency employees should be established, and criminal background checks should be performed.

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 would 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 care is increasing.

The Healthcare Association would like to suggest an amendment to the bill. It includes an exemption for home care agencies that are contracted by the Elderly Affairs Division of the City and County of Honolulu. However, there is no reason to believe that employees of unlicensed private agencies contracted by a government agency are any less likely to abuse a client than unlicensed private agencies that are not contracted. In addition, government agencies may incur greater liability when they contract with unlicensed agencies that would otherwise be licensed. As such, lines 10-12 on page 3 should be deleted.

With the suggested amendment, the Healthcare Association strongly supports SB 415 SD 1.

LINDA LINGLE
GOVERNOR OF HAWAII



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In reply, please refer to:
File:

SENATE COMMITTEE ON WAYS AND MEANS

SB 0415, SD1, RELATING TO HOME CARE AGENCIES

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

**February 27, 2009
9:00 a.m.**

1 **Department's Position:** The department appreciates the intent of this bill, but must respectfully
2 oppose.

3 **Fiscal Implications:** At least one registered nurse (RN V) position would be required. Along with
4 travel cost (mileage and neighbor island travel), annual expenses are expected to be approximately
5 \$120,000.

6 **Purpose and Justification:** A new program cannot be added at the same time that established programs
7 are being cut and other funding cuts may be required. A similar bill was supported by the department in
8 the past, but the state's financial climate has changed requiring a rethinking of priorities and of
9 establishing new programs. Further, the imposition of this licensing requirement without funding will
10 significantly and negatively affect the department's ability to license current facilities as required by
11 current laws.

12 Thank you for the opportunity to testify.



**Testimony to the Senate Committee on Ways and Means
Friday, February 27, 2009 at 9:00 a.m.
Conference Room 211, State Capitol**

RE: SENATE BILL NO. 415 SD1 RELATING TO HOME CARE AGENCIES

Chair Mercado Kim, Vice Chair Tsutsui, and Members of the Committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). The Chamber supports Senate Bill 415 SD1 relating to Home Care Agencies.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure requires the Department of Health to license home care agencies..

Quality health care is critical to the people and economy of Hawaii. As one of the largest private industries in Hawaii, the health care industry plays an important role in our economy, particularly through attractive, well-paying jobs and through the purchase of goods and services that contribute to our state's economy. As such, the health care industry plays a crucial role in the economic development and sustainability of our state and all of Hawaii's businesses. Also, Hawaii's healthcare system provides quality care for our families and serves to attract and retain a professional workforce, new companies, and even tourists to our state.

However, the quality healthcare that Hawaii has enjoyed for years is now in jeopardy. It is on the verge of declining because healthcare providers are no longer being paid for essential services at a level sufficient to cover annually increasing costs. The health care system must be maintained and challenges must be addressed.

Therefore, The Chamber supports improvements to the quality of our health care system that will increase long term care capacity and access statewide. Implementing a license requirement of home care agencies is the first step in the right direction in ameliorating the current state and quality of health care in Hawaii.

In light of the above, The Chamber of Commerce of Hawaii supports SB 415 SD1. Thank you for the opportunity to testify.

kim2 - Arline

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 26, 2009 9:41 AM
To: WAM Testimony
Cc: www.kulavovo@Hotmail.com
Subject: Testimony for SB415 on 2/27/2009 9:00:00 AM

Testimony for WAM 2/27/2009 9:00:00 AM SB415

Conference room: 211
Testifier position: support
Testifier will be present: No
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Comments: