

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR

HENRY OLIVA  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
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March 11, 2010

**MEMORANDUM**

TO: Honorable John M. Mizuno, Chair  
House Committee on Human Services

Honorable Ryan I. Yamane, Chair  
House Committee on Health

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 2650, S.D. 2, Proposed H.D. 1 – RELATING TO THE DEPARTMENT  
OF HUMAN SERVICES**

Hearing: Thursday, March 11, 2010, 9:30 A.M.  
Conference Room 329, State Capitol

**PURPOSE:** The purposes of the proposed H.D. 1 of this bill are: Part I - to require Medicaid contracts between the Department of Human Services and Medicaid healthcare insurance plan contractors to contain provisions affecting the reimbursement obligations in the policies between the Medicaid healthcare insurance plan contractors and the home and community-based case management agencies and to prohibits reduction of reimbursements of more than 10%; Part II – to prohibit the use of private contractors and vendors for intake and eligibility of welfare or public assistance services; and Part III – provides that certain statutes relating to training programs and recertification of nurses aides will preempt any other state law to the contrary.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) provides the following testimony on this bill:

DHS strongly opposes **Part I** of this bill. The provisions relating to reimbursement obligations in Part I sets a dangerous precedent, will require a new substantial State general fund appropriation at a time the State faces a severe budget crisis, and could worsen patient access to care. DHS is facing a substantial budget shortfall and is making every effort to minimize the need to decrease patient benefits. This bill prioritizes the interests of certain providers over the interests of our low-income vulnerable recipients. DHS would need a substantial new appropriation of State general funds to offset the expected reduced health plan expenditures through increased efficiency lost as a result of this bill, or DHS will need to further decrease patient benefits.

DHS allows health plans to coordinate patient care through case management services. Health plans can hire staff for this purpose or contract with licensed companies. As such, contracts between the health plans and a provider with whom they may contract are privately negotiated between the health plan and that provider.

By statutorily requiring certain contractual payments for certain providers in this bill, case management agencies, chore providers, and non-emergency medical transportation, this bill will essentially block health plan flexibility to reallocate funds as necessary in the best interest of its vulnerable Medicaid members and will set a dangerous precedent in allowing special interest groups seeking self-interested legislation to protect their incomes. This will have the effect of increasing program expenditures. This bill is tantamount to statutory, anti-trust price-fixing and is not in the best interests of the State taxpayers nor our Medicaid patients.

The nature of managed health care requires that DHS contract with health plans that provide an array of health services to clients by the health plans contracting with a network

of providers to provide access to timely quality health care for Medicaid patients. The lengthy contractual documents between DHS and the managed care health plans specify the manner in which services must be delivered, the qualifications of the providers who must deliver them, the quality expectations, and many other factors. The requirements that health plans maintain provider network adequacy and meet quality standards essentially requires the health plans to pay a fair market rate to providers. If they do not, then private health care providers would not join their network and the health plan would not be able to maintain network adequacy. Failure to maintain network adequacy could lead to DHS sanctioning and even canceling the managed health care contract.

By statutorily requiring certain contractual payments for certain providers in this bill, case management agencies, chore providers, and non-emergency medical transportation, this bill will essentially block health plan flexibility to reallocate funds as necessary in the best interest of its members. For example, if the health plans have to pay above market rate for case management services on Oahu, it may make it economically infeasible to pay a higher rate, as the market might require, to psychiatrists on the Island of Hawaii in order to encourage more Big Island psychiatrists to accept Medicaid clients.

If the Legislature sets this dangerous precedent and opens the door to these three special interest groups seeking self-interested legislation to protect their incomes, it will be besieged by all the other special interest groups who provide services to Medicaid patients seeking similar protections. This will have the effect of increasing program expenditures.

The proposed section 103F- , (a)(3), page 2, lines 10 to 15, links the “Case Management Agency” contracts with the reimbursements for chore and non-emergency medical transportation.

Since 1994, the Department of Human Services (DHS) has contracted with private health plans to manage the care of low-income adults under 65 and children in the QUEST

Medicaid program. DHS expanded QUEST last year to include needy adults 65 and over and people of all ages with disabilities.

While it is not a federal requirement, DHS allows health plans to coordinate patient care through case management services. Health plans can hire staff for this purpose or contract with licensed companies. As such, contracts between the health plans and a provider they may contract with are private between the health plan and that provider.

Contracts between health plans and certain provider types are private and independent of contracts between health plans and other provider types. Although, a case management agency may arrange these services for Medicaid clients, it does not pay for them. There is no basis whatsoever of requiring payment terms of one provider in the contract of another provider.

DHS obviously expects Medicaid health plans to deliver cost-effective services. That way, Hawaii residents know their tax dollars are spent wisely.

Also, DHS opposes the proposed amendments contained in **Part III** of this bill relating to training programs and recertification of nurses aides.

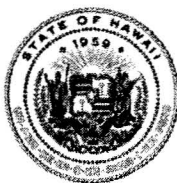
The proposed amendments to HRS section 346-46(4) on page 4 and HRS section 457A-7(e) on page 6 require nurse aides in Medicare or Medicaid nursing facilities to include the completion of a competency evaluation as continuing education hours. This requirement is unnecessary because HRS section 457A-7 already complies with U.S. Code sections 1395i-3 and 1396r that require annual performance reviews and in-service training for biennial recertification of nurse aides in Medicare or Medicaid nursing facilities. The annual performance reviews and in-service training are consistent with and serve as competency evaluations for Medicare or Medicaid facility nurse aides. To require a competency evaluation in addition to annual performance reviews and in-service training for the Medicare or Medicare facility nurse aides is redundant and not necessary.



DHS is opposed to the inclusion of statutory language in HRS section 457A-2 (page 5) that will allow the completion of a competency evaluation to be part of any continuing education hours taken by a nurse aide. The purpose of requiring 24 hours of continuing education hours is to ensure that nurse aides remain current with their skills and in their knowledge of relevant health-related topics. DHS respectfully recommends that HRS 457A-2(c)(1) in Section 5, page 5, line 14, be amended to read as follows:

“(1) Training programs for nurses aides and recertification; provided that recertification shall be required not less than every two years and the number of continuing education hours required for recertification shall not exceed twenty-four hours, except as specified by federal law; provided further that the competency evaluation required pursuant to section 457A-8 shall not be included with the continuing education hours; and...”

Thank you for this opportunity to provide testimony.



LINDA LINGLE  
GOVERNOR  
JAMES R. AIONA, JR.  
LT. GOVERNOR

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LAWRENCE M. REIFURTH  
DIRECTOR  
RONALD BOYER  
DEPUTY DIRECTOR

**PRESENTATION OF THE  
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE HOUSE COMMITTEE ON  
HUMAN SERVICES

AND

TO THE HOUSE COMMITTEE  
ON HEALTH

TWENTY-FIFTH LEGISLATURE  
Regular Session of 2010

Thursday, March 11, 2010  
9:30 a.m.

**WRITTEN TESTIMONY ONLY**

**TESTIMONY ON SENATE BILL NO. 2650, S.D. 2, PROPOSED H.D. 1, RELATING  
TO THE DEPARTMENT OF HUMAN SERVICES.**

TO THE HONORABLE JOHN M. MIZUNO, CHAIR, AND  
TO THE HONORABLE RYAN I. YAMANE, CHAIR,  
AND MEMBERS OF THE COMMITTEES:

My name is Kathy Yokouchi and I am the Executive Officer for the Nurse Aide Program in the Department of Commerce and Consumer Affairs ("Department"). I appreciate the opportunity to present testimony on behalf of the Department on Senate Bill No. 2650, S.D. 2, Proposed H.D. 1, to the extent that it relates to Part III, Sections 4 and 5.

Part III mandates that biannual maintenance and continuing education hours required for nurse aides include a competency evaluation approved by the Department of Human Services ("DHS").

The purpose of the amendment in Section 346-46, HRS, in Section 4, page 4 (line 22) to page 5 (lines 1-3) and Section 457A-2, HRS, in Section 5, page 5 (lines 14-16) is to clarify that the competency evaluation is to be included as continuing education. Under Section 342-46(1), HRS, the DHS has authority over nurse aide training in this State. The Department recommends that the term "State-approved" be added to the competency evaluation ("State-approved competency evaluation") to clarify that only DHS approved competency evaluations are acceptable. Further, the Department is uncertain whether nurse aides who are employed by Medicare/Medicaid participating facilities ("MMPF") can be required to complete a State-approved competency evaluation in addition to the in-service training and annual performance reviews already required in accordance with 42 United States Code of Federal Regulations Section 483.152(b)(3). It is our understanding that the State-approved competency evaluation was developed by the DHS specifically for nurse aides who are employed in state-licensed or state-certified health care settings ("SL/SCHCS"). These nurse aides wished to have training and examinations that were comparable to MMPF-employed nurse aides and the State-approved competency evaluation was the solution. The Department respectfully recommends that Section 4 not require MMPF nurse aides to complete the State-approved competency evaluation until DHS obtains an opinion from the Office of the Attorney General ("AG") that adding this training is appropriate. If

it is found not to be appropriate, to the extent that it amends Section 346-46(4), HRS, we recommend that Section 4 be amended to read as follows:

- “(4) Require recertification not less than every two years. The number of continuing education hours required for recertification shall not exceed twenty-four hours, except as specified by federal law[-]; provided that the **State-approved** competency evaluation [~~required pursuant to section 457-7 and 457-8~~] shall be included as continuing education hours to meet certification maintenance requirements in Section 457A-8.”

The Department also recommends that Section 5, page 5 (lines 14-16) be amended to read as follows:

“(c) The director of human services shall implement this chapter in accordance with 42 United States Code Sections 1395i-3 and 1396r, that relate to:

- (1) Training programs for nurse aides and recertification; provided that recertification shall be required not less than every two years and the number of continuing education hours required for recertification shall not exceed twenty-four hours, except as specified by federal law; provided further that the **State-approved** competency evaluation required pursuant to section 457A-8 shall be included as continuing education hours; and
- (2) Disciplining of certified nurse aides employed in health care settings licensed or certified by the department of human services.”

Regarding Section 4, page 5 (line 1), the Department further requests that if the AG determines that the MMPF-employed nurse aides can be required to complete a

State-approved competency evaluation in addition to the federal requirement for in-service training and annual performance review, that the AG opine whether MMPF-employed nurse aides can be assessed the cost for the evaluation. By federal<sup>1</sup> and state law<sup>2</sup>, state agencies are prohibited from imposing any charges against MMPF-employed nurse aides for any registry related costs including the nurse aide certification examination. If the DHS determines that its State-approved competency evaluation can be required of the MMPF-employed nurse aides, but fees cannot be imposed for the evaluation, then, absent an appropriation, DHS will have to find a way to pay for these evaluations out of their current budget costs.

In Section 6, page 6, line 3, the Department recommends that the phrase, "equivalent to that required under section 457A-8" be stricken as it implies that a separate competency evaluation that is equivalent to the state-approved competency evaluation would be acceptable. If the intent is to require the same state-approved competency evaluation, then the Department recommends that Section 457-7 (e) and (f) be added to the bill and amended as follows:

"(e) Maintenance requirements for the recertification process shall be on a biennial basis, and shall include a ~~[equivalent to that required under section 457A-8]~~ State-approved competency evaluation, an annual performance review and in-service training and employment in a medicare or medicaid facility as required by federal and state law.

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<sup>1</sup> (42 United State Code of Federal Regulations, Subchapter G, Section 483.156 (4)) states, "4) The State may not impose any charges related to registration on individuals listed in the registry."

<sup>2</sup> Section 457A-7(f), HRS), states, "No charge shall be imposed on medicare or medicaid certified nurse aides for the maintenance of the nurse aide registry."

(f) No charge shall be imposed on medicare or medicaid certified nurse aides for the maintenance of the nurse aide registry.

In conclusion, the Department recommends the amendments in Part III, Sections 4, 5 and 6 be incorporated as provided herein if this measure moves forward.

Thank you for this opportunity to testify on Senate Bill No. 2650, S.D. 2,  
Proposed H.D. 1.



## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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### The Twenty-Fifth Legislature, State of Hawaii Hawaii State House of Representatives

#### Committee on Human Services Committee on Health

Testimony by  
Hawaii Government Employees Association  
March 11, 2010

#### S.B. 2650, S.D. 2, Proposed H.D. 1 - RELATING TO THE DEPARTMENT OF HUMAN SERVICES

The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of S.B. 2650, S.D. 2, proposed H.D. 1.

We are in strong support of Part II of this legislation which would 1) prohibit the use of private contracts and vendors for intake and eligibility of welfare and public assistance services in Hawaii, and 2) require that a task force be convened to determine the feasibility of transferring services to the Eligibility Processing Operations Division (EPOD) prior to the proposed reorganization of the Department of Human Services (DHS).

The HGEA fully supports the concerns of the DHS employees who oppose the proposed DHS EPOD reorganization and take their jobs of serving Hawaii's most vulnerable population very seriously. It is clear and disappointing that our members were not involved in any discussions involving initiatives to transform the department into a more efficient, effective government operation. The convening of a task force will ensure that DHS staff at all levels have input in any proposed changes.

Of great concern to HGEA is that as a result of this proposed reorganization, over 225 positions will be cut from DHS, one of the state departments hardest hit by hundreds of layoffs late last year. While the remaining staff is doing the best they can, the current staffing level is not sufficient to keep up with the demand for the vital services provided to the public.

In addition, the department continues their use of private contracts to handle duties and responsibilities that can be performed by state employees. It is disturbing that the

House of Representatives - Committee on Human Services; Committee on Health  
Testimony re: S.B. 2650, S.D. 2, Proposed H.D. 1  
March 11, 2010  
Page 2

department would propose to cut over 200 positions without first considering the elimination of private contracts and vendors.

To their credit, of even greater concern to HGEA members and employees of the department is the negative impact this reorganization and proposed cuts will have on the public they serve. This reorganization is a major shift in how the DHS will provide service to the public. By their own admission, the DHS acknowledges that the demand for services have increased tremendously with the current economic downturn. It is inconceivable that the DHS would propose to close welfare offices in response and impose such a dramatic change in the delivery of services at this time. If implemented as proposed, we believe these changes will have a tremendous negative impact on our state.

Thank you for the opportunity to provide testimony and we ask for your support of S.D. 2650, S.D. 2, proposed H.D. 1.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nora A. Nomura', with a long, sweeping underline.

Nora A. Nomura  
Deputy Executive Director





## UNIVERSAL CASE MANAGEMENT, LLC

91-735 Kilaha Street  
Ewa Beach, Hawaii 96706  
E-Mail: UCM@hawaii.rr.com  
Office: (808) 689-5229 Cell: (808) 372-3168 Fax: (808) 689-7226

To: Representative John Mizuno, Chair  
Representative Tom Brower, Vice Chair  
To the Committee on Human Services

From: Rosy E. Thomas, RN, BSN, LCM  
Owner, Universal Case Management, LLC  
Secretary, Case Management Council  
91-735 Kilaha Street  
Ewa Beach, Hawaii 96706  
Office: 689-5229  
Fax: 689-7226  
Cell: 372-3168

Date: Thursday, March 11, 2010  
Time: 0930 AM  
Place: Room 329

RE: **SB 2650: Medicaid Contracts; Health Care Insurance Plan Contractors;  
Reimbursements to Home and Community-based Case Management Agencies**

I would like to thank Rep. John Mizuno, Chair, Rep. Tom Brower, Vice Chair and to the Committee on Human Services for allowing me to give my testimony.

My name is Rosy Thomas. I have worked as a Registered Nurse for the past 29 years and I am one of the Home and Community-based Case Management Agency managing and overseeing the Age, the Blind and the Disabled population in our local community.

I would like to testify that I am in agreement to this SB 2650 for the Medicaid Healthcare Insurance Plan Contractor to not reduce the re-imbusement rates to the Home and Community-based Case Management Agency not to exceed 10 percent.

Presently, we are faced with the worst economic crisis thus far. I agree that rate reduction must be implemented in order for our State Medicaid program to continue to provide a much needed services to those who are in need of these services. However, we, as Case Management Agencies has been getting paid \$16.25/day, this equates to about \$0.39/hour. The current minimum wage is about \$7.75/hour. The current local RN salary is about \$48/hour. The great disparity of the current rates that the Community-based Case



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Management RN's wages currently are getting paid in comparison, is overwhelmingly unfair and unjustified. DHS has not given us a raise for the past 10 years. Earning 39 cents an hour is this day and age is downright unjustifiable. And to make matter worse, Ohana Health Plan wanted to cut our salary down to 48%.

As Community-based Case Managers, our job is to make sure that our local Kupunas are receiving the safe and quality of care that they deserved and we want to continue to provide these services to our elderly in our community. However, with the reduction in rate, it will be very difficult to maintain the services that we are used to providing when we also have to decrease the number of our own employees, thereby compromising the delivery of care. The long term outcome of this domino effect will be very devastating and the end result will be the high cost of medical care expenses that the State of Hawaii will have to face: i.e. Emergency Rooms will be filled to capacity, shortfall of Hospital beds and Nursing Home beds will result in Medical Crisis in the Island.

I sincerely hope that this Committee will support and pass this bill to maintain the viability of the local Case Management Agencies, so that we can continue to provide the safe and quality of care that our Aged, Blind and Disabled population in our community deserved.

Thank you for allowing me to give my heartfelt and sincere testimony.

Rosy Thomas, RN, BSN, LCM  
Owner, Universal Case Management, LLC



CATHOLIC CHARITIES HAWAII

TO: Representative John M. Mizuno, Chair  
Representative Tom Brower, Vice Chair  
Committee on Human Services

Representative Ryan I. Yamane, Chair  
Representative Scott Y. Nishimoto, Vice Chair  
Committee on Health

FROM:   
Diane M. Terada, Division Administrator

DATE: Thursday, March 11, 2010 (9:30 a.m., Room 329)

SUBJECT: **SB 2650, SD2, HD1 (proposed),**  
**Relating to the Department of Human Services**

Catholic Charities Hawai'i (CCH) is a private, 501(c)(3) organization that has provided social services for people in need in the State of Hawaii since 1947. **CCH supports SB 2650, SD2, HD1 (proposed), as it pertains to reimbursement rates to home and community-based case management agencies and with recommendations**

CCH operates as a licensed case management agency on the island of Hawai'i through its program, Quality Living Choices. Since 1997, this program has provided case management for nursing home level residents placed in community care foster family homes.

**CCH supports this bill because:**

1. Part I pertaining to protection of reimbursement rates does not require additional State funds.
2. Protection of reimbursement rates for case management is important for the following reasons:
  - a. **Vital role of licensed Case Management Agencies** – Case Management is required to assure that nursing home level patients who reside in foster homes are able to remain in the community safely. Case management services, provided by licensed case management agencies, requires a case management team of Registered Nurses and licensed Social Workers. It also requires RN/Case Managers to delegate nursing functions to foster home caregivers, thereby placing their professional nursing licenses on the line.
  - b. **Fragile community-based network on neighbor islands** - The recent attempt to reduce case management rate by one of the two QUEST Expanded Access (QExA) health plans, by nearly 48% created tremendous turmoil within the network of licensed



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case management agencies, most of which are small businesses. Due to public protest by the case management agencies and their supporters, the health plan agreed to a 17% reduction, which is still an extreme hardship for licensed case management agencies, given the continuing problems with transition to managed care, including increased responsibilities and lack of timely payment.

There is no differential rate for neighbor islands and Catholic Charities Hawai'i is concerned that this may result in lack of choice for Ohana patients on the neighbor islands, where access to health care is already a challenge.

- c. **Avoid compromising quality of care by establishing a minimum rate.** Currently, the complexities of providing case management for residents of community care foster family homes requires complying with the requirements of two different health plans, while also being accountable to Federal Medicaid and State regulations, as well as a separate licensing entity – and while continuing to be client-centered and providing quality services that respect the dignity and self determination of the client. Needless to say, this has been a Herculean task.

Catholic Charities Hawai'i is concerned that a reduction in case management rates by more than 10% will compromise the ability of licensed case management agencies to ensure the safety and well-being of foster home residents. Establishing a reasonable minimum rate would ensure that this service remains a stable, viable alternative to more costly institutional care for frail and vulnerable individuals.

### **Recommendations**

1. Require that health plans cannot reduce the case management rate more than 10% from the original rate of \$16.25.
2. Delete or change Section 1, (3), which states “The Medicaid healthcare insurance plan contractor shall not enter into, or renew, any policy with a home and community-based case management agency unless the policy contains maximum reimbursement levels for chore services and non-emergency medical transportation.”

Reason: Case Management agencies do not have any control over Medicaid reimbursement rates paid for chore or “non-emergency medical transportation”. These rates are set by the health plans.

**Catholic Charities Hawai'i asks for your support of SB 2650, SD2, HD1 (proposed), in order to help ensure the safety and health of frail and vulnerable adults residing in community care foster family homes.** If I can provide any further information, please feel free to contact me via phone at 808-527-4702 or via email at [diane.terada@catholiccharitieshawaii.org](mailto:diane.terada@catholiccharitieshawaii.org). Thank you for this opportunity to provide testimony.



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March 11, 2010

To: The Honorable John M. Mizuno  
Chair, House Committee on Human Services

The Honorable Ryan I. Yamane  
Chair, House Committee on Health

From: 'Ohana Health Plan

Re: Senate Bill 2650, Senate Draft 2, Proposed House Draft 1-Relating to Human Services

Hearing: Thursday, March 11, 2010, 9:30 a.m.  
Hawai'i State Capitol, Room 329

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Since February 2009, 'Ohana Health Plan has provided services under the Hawai'i QUEST Expanded Access (QExA) program. 'Ohana is managed by a local team of experienced care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.3 million Medicaid and Medicare members nationwide. 'Ohana is able to take the national experience in providing an 'Ohana care model that addresses local members' healthcare and health coordination needs.

We appreciate this opportunity to submit our comments in opposition to the proposed House Draft 1, which we are limiting to Part I of this bill only.

This measure would undermine a contracted health care plan's ability to privately and independently negotiate their own contracted rates with subcontractors, ensuring the efficient operation of the health system. We are concerned that this bill will directly lead to increased cost for the State since this is a Medicaid program. At a time where the State is in a deep financial crisis and the Department of Human Services (DHS) is unable to guarantee timely payment towards the end of the fiscal year to the five health care plans contracted under the QUEST program, it would fiscally irresponsible to codify rates that are a plan's responsibility to negotiate.

For these reasons, we respectfully request that the proposed HD 1 be amended to delete the entire Part I. Thank you for the opportunity to submit these comments.

**From:** LYagi@dhs.hawaii.gov [mailto:LYagi@dhs.hawaii.gov]  
**Sent:** Wednesday, March 10, 2010 4:45 PM  
**To:** HUSstestimony  
**Subject:** Amendment to SB 2650, SD2 (SB2650, SD2, HD1)

The amendments prohibit use of private contracts and vendors for intake and eligibility of DHS welfare and public assistance services. It requires DHS to convene a task force to determine the feasibility of the EPOD reorganization prior to implementation.

Please vote in favor of these amendments.

The USDA Food and Nutrition Service website shows error rates for the states and territories for the last 6 fiscal years. In FY 08, Hawaii was 11th in the nation for accuracy. Our rankings, listed backwards from FY 07 to FY 03, are 9th, 7th, 24th, 9th, and 7th. Note the 24th place followed by a rise to our usual 7th place. Hawaii's six year average error rate of 4.14 percent makes us 5th in the nation.

Utah, Washington, Florida, Arizona and Oregon converted to eligibility processing centers. Only Utah and Washington come close to Hawaii with six year average error rates of 4.20 percent (7th) and 4.33 percent (10th) respectively. Florida has used processing centers for many years. They are number one in FY 08 with a 0.85 percent error rate. But their past ranks (backwards from '07 to '03) are 14th, 51st, 41st, 29th, and 35th. Based on average error rates, Florida, Arizona and Oregon placed 26th, 34th and 37th respectively.

We get no guidance or support from DHS executive staff on how to cope with the crisis right away. Eligibility workers are left to flounder to create false urgency that justifies eligibility processing centers. Director Koller set us up to fail.

-----Original Message-----

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]

Sent: Wednesday, March 10, 2010 4:24 PM

To: HUS testimony

Cc: kauanoel6@gmail.com

Subject: Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329

Testifier position: support

Testifier will be present: No

Submitted by: BECKY P KOMAKI

Organization: Individual

Address:

Phone: 8086515534

E-mail: kauanoel6@gmail.com

Submitted on: 3/10/2010

-----Original Message-----

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]

Sent: Wednesday, March 10, 2010 6:17 PM

To: HUS testimony

Cc: shannonkona@gmail.com

Subject: Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329

Testifier position: support

Testifier will be present: No

Submitted by: Shannon Rudolph

Organization: Individual

Address: P. O. 243 Holualoa

Phone: 808-322-6604

E-mail: shannonkona@gmail.com

Submitted on: 3/10/2010

Comments:



-----Original Message-----

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]  
Sent: Wednesday, March 10, 2010 7:14 PM  
To: HUS testimony  
Cc: cpuna@webtv.net  
Subject: Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: cheryl  
Organization: Individual  
Address: pahoia, HI  
Phone:  
E-mail: cpuna@webtv.net  
Submitted on: 3/10/2010

Comments:

March 10, 2010

Representative John Mizuno

Representative Tom Brower

Members of the House & Senate Human Services Committees

(Re: SB 2650 Hearing on Thursday 3-11-09 Rm 329)

Dear Members of the House & Senate Human Services Committees of Hawaii's 25th Legislative Session:

Thank you all for the support & kindness you have shown to all who came forward to share and voice their concerns regarding the negative impact DHS's Reorganization Plan would have on many.

Thank you also for your intuitiveness and compassion by proposing SB No. 2650, S.D. 2, and H.D. 1. specifically Part II that prohibits privatizing the intake and eligibility of public assistance services. With all due respect to private vendors and to those whom we've befriended in the private sector, I have to agree that not all privatization works in the best interest of the client. We have all experienced many, many incidences where there have been numerous delays to the approval of financial assistance benefits to families needing cash assistance because of things that could have been avoided. One of the absolute worst is the client's inability to contact their case manager, speak to a live person or be able to take their concern/complaint to a higher level. In many instances, many of my clients' stated they were unable to resolve their issues, which resulted in their case being denied or sanctioned. One case in point - I had to process 3 TANF applications for a client within a 5 month period because of work program issues. While the first denial was admittedly the client's lack of desire to participate, the next 2 were disturbing because the client, who lives in Central Oahu, arrived a little late for each class. Her participation site was in Honolulu. My phone had time-stamped her to be 6 minutes late at one of the attempts. She felt very defeated because she did not have any funds to continue to pay for parking fees!! I think you can vision the process a needy individual has to go through each and every time they have to reapply. I've even had a client who shared that she quit her job because she had such difficulty getting her child care payments from the private contractor and she could not afford to pay out-of-pocket. These are just two examples of many. Trust me, we can go on and on.

I fully agree with your proposal to institute a task force prior to implementation of DHS' reorganization. I believe this action should then suffice all parties' affected.

May I also add that many employees are in agreement but unwilling to voice their opinions for fear of repercussions. While we all have grave concerns at the loss of our jobs, I believe that the most important mission of our department is to serve the less fortunate with respect and dignity. Let a person be a person rather than a statistic.

Thank you for your time and efforts on behalf of some State of Hawaii employees and the less fortunate population.

Sincerely,

|   |                                      |   |                    |
|---|--------------------------------------|---|--------------------|
| ① | <u>Nola Devinent (Nola Devinent)</u> | ⑥ | <u>[Signature]</u> |
| ② | <u>JUNSTON CHANE [Signature]</u>     | ⑦ | <u>[Signature]</u> |
| ③ | <u>[Signature] (Debra Nobriga)</u>   | ⑧ | <u>[Signature]</u> |
| ④ | <u>[Signature] (Sharon Horuchi)</u>  | ⑨ | <u>[Signature]</u> |
| ⑤ | <u>[Signature]</u>                   |   |                    |

\* PLS note: original may be obtained per email request to: N. Devinent fusae@hawaii.rr.com

*Nancy Atmospera-Walch, RN, BSN, MPH, LNHA, CHES, CCHN, CMC*  
*n.walch@yahoo.com*

**Testimony in Strong SUPPORT ONLY of the ORIGINAL VERSION of SB 2650.**

**NOT in SUPPORT of PART III of the PROPOSED NEW VERSION OF SB 2650**  
**ESPECIALLY PART III**

Thursday, March 11, 2010  
9:30 AM  
Conference Room 329  
State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

**COMMITTEE ON HUMAN SERVICES**

Honorable Rep. John M. Mizuno, Chair  
Honorable Rep. Tom Brower, Vice Chair  
Honorable House Committee on Human Services Members  
Rep. Della Au Belatti  
Rep. Joe Beltram, III  
Rep. Mele Carroll  
Rep. Scott Y. Nishimoto  
Rep. Maile S. L. Shimabakuro  
Rep. Ryan Yamane  
Rep. Gene Ward

**Hon. Chair John M. Mizuno, Hon. Vice-Chair Tom Brower, Committee on Human Services Members, Good Morning and ALOHA!**

I am Nancy Atmospera-Walch, a Master's Prepared Licensed Registered Nurse, a Licensed Nursing Home Administrator, a Certified Health Education Specialist and a Certified Case Manager. I am in **Strong Support ONLY the of ORIGINAL VERSION of SB 2650, BUT I DO NOT SUPPORT the NEW PROPOSED VERSION of SB 2650 where Part I and Part III were ADDED.**

Honorable Chair and all members of the Committee, Part III of this Bill was the ORIGINAL HB 2160, which is already DEAD because it puts PUBLIC SAFETY at RISK. It is very disturbing that a BILL that has been dead can just be inserted to another bill. Part III is about "Competency Skills and Continuing Education" which are two separate items.

PART III of the NEW PROPOSED 2650 will DELETE the state approved competency program evaluation as a requirement for recertification by Nurses Aides working in state-licensed or state certified healthcare settings.

The competency evaluation program is different from the required 24 continuing education units (CEU). Competency is the satisfactory performance of a nursing skill or task under the supervision of a registered nurse. The Joint Commission Accreditation on Healthcare Organizations (JCAHO) defines competency as, "Assessing staff's ability to meet performance expectations." Every Nurse's Aide is expected to be competent caregivers to ensure the safety and comfort of the frail and elderly patients living in their homes. The competency evaluation is just a biennial process of checking the Nurse Aide's continuing competency.

Continuing Education on the other hand, is acquisition or learning of new skills or knowledge in order to be up to date with the latest and best information or skills, so the Nurse's Aides can continue to deliver the best care to their patients. It is also a process for maintaining certifications and in the case of the Certified Nurse's Aide (CNA); it is to maintain their Nurse's Aide Certification. A plain Nurse's Aide (NA) is not required to do 24 hours CEU; however, both are required to do Competency Evaluation.

PART III is requiring the Nurse's Aides working in the Medicare/Medicaid facilities to do a competency program. These Nurse's Aides are under 24-hour supervision of a registered nurse already and an annual performance and competency evaluation is done for their recertification. However, most importantly, under the Omnibus Budget Reconciliation Act of 1987, Nurse's Aides working in any Medicare or Medicaid certified facility are required to successfully complete a Nurse Aide training and competency evaluation program, pass a certification exam, and register with the State registry of Nurse's Aides within 30 days of successful completion of the competency evaluation.

Under the Federal regulation, the Department of Human Services was named the Medicaid agency within the State to establish the curriculum requirements, content of competency evaluation and re-evaluation, and determine certification of nurse aide training programs. Nurse aide certification remains valid for 2 years. To be recertified, the Nurse aide must fulfill the maintenance requirements for the recertification process.

The supporters of the INESERTION of PART III are questioning why the CNA's are required to obtain 24 hours continuing education while the Registered Nurses and Licensed Practical Nurses are not. Registered Nurses had at least 5 years of education or more, while CNA's had only 6 weeks of training!

In addition, majority of RNs are certified in their specialty of practice, and therefore are doing CEUs for that specialty certification. In addition, the Hawaii Nurses Association has given members the opportunity to

attend a minimum of one conference a year and their employer is required to pay for it. In other words, even if the state of Hawaii is not requiring RNs to do CEUs, they are doing it either by their certification or by their HNA membership.

The HB 814, which was enacted into law last year, is only specifying that the number of continuing education hours required for recertification shall not exceed 24 hours every two years. Again, completion of continuing education classes and the competency evaluation are separate issues.

A group of Healthcare Professionals in collaboration with DHS and Legislators were working on the process on how to implement the HB 814, but they had to stop since HB 2160 came along which affects the implementation of HB 814 that was passed last year.

There is no fiscal impact to the State of Hawaii for implementing HB 814. There is minimal cost for the CNA for evaluation of his or her competence by a Registered Nurse, which we believe that anyone who is in business must bear as a part of doing business.

In conclusion, let me ask All of You these questions? “Would you want to PASS a BILL that is asking the PUBLIC to be AT RISK?” “Would you like to PASS a BILL in which it is asking NOT to EVALUATE a CAREGIVER’s ABILITY to do the job? Would you ALLOW someone who does not WANT to be EVALUATED of her or his PERFORMANCE to care for you, your children or your parents?

If you ANSWERED NO, to any of my questions, then it is your responsibility as a Public Official NOT TO PASS PART III of this BILL.

If you ANSWERED YES, to any of my questions, I am sad and I am sure many other people are, too, that you are a PUBLIC Official.

Therefore, Honorable Chair and ALL Committee Members, I request that you REMOVED PART III of this bill for the sake and safety of the public and for the protection of our caregivers from being incompetent.

Honorable Chair and all members of the Committee, thank you for giving me the opportunity to testify!

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**From:** HUSTestimony  
**Subject:** FW: S.B. No. 2650 - Testimony  
**Importance:** High

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**From:** Sarah Suzuki [mailto:suzukis003@hawaii.rr.com]  
**Sent:** Wednesday, March 10, 2010 11:29 PM  
**To:** HUSTestimony  
**Subject:** S.B. No. 2650 - Testimony  
**Importance:** High

To: Representative John Mizuno, Chair  
Committee on Human Services

Representative Tom Brower, Vice Chair  
Committee on Human Services

Representative Ryan Yamane, Chair  
Committee on Health

Representative Scott Nishimoto, Vice Chair  
Committee on Health

From: Sarah Suzuki, MBA, BSN, RN  
President, Case Management Council  
Managing Partner, Blue Water Resources

Date: Thursday, March 11, 2010,  
Time: 9:30 A.M.  
Place: Conference Room 329, State Capitol

Subject: Notice of Hearing relating to the Department of Human Services  
Requires Medicaid contracts between the Department of Human Services and Medicaid healthcare insurance plan contractors to contain provisions affecting the reimbursement obligations in the policies between the Medicaid healthcare insurance plan contractors and the home and community-based case management agencies. Prohibits reductions of reimbursements of more than 10%.

Position:

I, respectfully, ask the Committee on Human Services and the Committee on Health to pass section 1 of SB 2650 to ensure the viability of case management agencies who are important to the State's and the QExA health plans' ability to provide better and more cost-effective care to the aged, blind, and disabled population. There are no appropriations asked for in this bill and no additional costs will be incurred by its passage.

Thank you for allowing me to provide this testimony.

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**From:** HUS testimony  
**Subject:** FW: Testimony for SB2650 on 3/11/2010 9:30:00 AM

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]  
Sent: Wednesday, March 10, 2010 8:54 PM  
To: HUS testimony  
Cc: ron\_badua@yahoo.com  
Subject: Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: Priscilla Badua  
Organization: Individual  
Address: 3531 Mokihana Rd Hanapepe Hi  
Phone: 808 651-9901  
E-mail: [ron\\_badua@yahoo.com](mailto:ron_badua@yahoo.com)  
Submitted on: 3/10/2010

Comments:

Totally support SB2650, SD2, HD1. Task force necessary to determine the feasibility and impact of EPOD as it relates to approx 300,000 needy individuals. Assumption of access to fax, mail or telephone is wrong.

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**From:** HUS testimony  
**Subject:** FW: Testimony for SB2650 on 3/11/2010 9:30:00 AM

-----Original Message-----

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]  
Sent: Wednesday, March 10, 2010 9:38 PM  
To: HUS testimony  
Cc: miles@aloha.net  
Subject: Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: Miles H Mulcahy  
Organization: Individual  
Address: Captain Cook  
Phone: 8089383743  
E-mail: [miles@aloha.net](mailto:miles@aloha.net)  
Submitted on: 3/10/2010

Comments:

Please pass this bill for its humanitarian qualities. Mahalo !



**brower1-Traci**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 10, 2010 1:56 PM  
**To:** HUSstestimony  
**Cc:** joynewaynewakumoto@hotmail.com  
**Subject:** Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: joy wakumoto  
Organization: Individual  
Address: 3367 Elima Street Lihue, HI  
Phone: 808-245-9110  
E-mail: [joynewaynewakumoto@hotmail.com](mailto:joynewaynewakumoto@hotmail.com)  
Submitted on: 3/10/2010

**Comments:**

I am in support of SB 2650 Part II section 2 and 3. I think that it is very important to have a task force assembled to gather information needed to evaluate the most appropriate model for an EPOD prior to implementation for Hawaii's welfare system. Thank you very much.

## **brower1-Traci**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 10, 2010 2:01 PM  
**To:** HUS testimony  
**Cc:** lianne1997@hotmail.com  
**Subject:** Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: Krishen Tanaka  
Organization: Individual  
Address: Lihue, Hawaii  
Phone: 808-635-6733  
E-mail: [lianne1997@hotmail.com](mailto:lianne1997@hotmail.com)  
Submitted on: 3/10/2010

**Comments:**

I am flabbergasted that the Director of Human Services would decide to implement the EPOD program without any concrete plans, testing, and transition of services. I'm positive that this will cost the state more monies, result in the state losing federal monies, and not to mention the hardships it'll bring to those who desperately need and depend on these services.

## **brower1-Traci**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 10, 2010 2:25 PM  
**To:** HUS testimony  
**Cc:** waimea12@hawaii.rr.com  
**Subject:** Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: Kelly Robinson  
Organization: Individual  
Address: 4708 Menehune Road Waimea, Hawaii  
Phone: 808-645-0663  
E-mail: [waimea12@hawaii.rr.com](mailto:waimea12@hawaii.rr.com)  
Submitted on: 3/10/2010

### Comments:

I am in favor of this Senate Bill 2650 because it will ensure that the most qualified worker (state employees) are doing the work that they got trained to do. The Director has been contracting out numerous traditional state jobs and the complaints about services have been being received but nothing is being done about it. PART II, Section 3 is an idea that should have been in place a long time ago. Director is making the changes and not knowing how it will impact the welfare system in Hawaii. The losers will be the clients who need this vital services.

## **brower1-Traci**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 10, 2010 2:37 PM  
**To:** HUS testimony  
**Cc:** k.kashima@yahoo.com  
**Subject:** Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: Kirstie Kashima  
Organization: Individual  
Address: 3148 Hiraoka St Lihue, HI 96766  
Phone: 652-0862  
E-mail: [k.kashima@yahoo.com](mailto:k.kashima@yahoo.com)  
Submitted on: 3/10/2010

**Comments:**

I am support of this bill because we have capable and fully trained personnel who can fulfill this function. Clients need continuity of services rather than having services outsourced.

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: Lori Toyofuku  
Organization: Individual  
Address: Lihue, HI 96766  
E-mail: [minilori@hotmail.com](mailto:minilori@hotmail.com)  
Submitted on: 3/10/2010

Dear Representatives on the Committee on Human Services,

I applaud all of you that truly listened to the emotional testimony given by our community members and DHS workers regarding the proposed Eligibility Processing Operations Division (EPOD).

I am a former Income Maintenance Worker (20+ years) and was truly devastated and speechless when I heard of the EPOD proposal. I would never, ever, imagine that the State of Hawaii would even consider this proposed EPOD. I am truly disappointed that Department of Human Services would even consider, let alone, attempt to implement this inhumane proposal.

I **support SB 2650** which prohibits the use of private contract and vendors for intake and eligibility of welfare and public assistance. I am totally against private contracts being awarded to vendors that take away jobs from the state employees, making us targets for lay offs. Child care subsidy payments, fingerprinting, etc., are being processed by various vendors. The state is not being cost efficient by awarding these contracts to these vendors (ARBOR, Insights To Success, and Goodwill Industries, etc) for services that departmental employees used to perform.

I totally agree that a Task Force, composed of line workers, shall be convened to determine the feasibility of transferring services to the EPOD. I remember when our computer system (HAWI) to generate food stamp, financial, and medical benefits was first introduced in Hawaii. They system was tested over and over by workers and supervisors to work out all the kinks before implementation. Because Kauai is the smallest island, Kauai was targeted to be the first to implement the new system. Once Kauai was completed and problems resolved, each island followed, learning from mistakes, etc., making transition smooth for both the public and the DHS employees. This I feel, **IF** EPOD should ever be implemented, should be handled.

I am simply flabbergasted that the director would even attempt to implement a mind boggling idea, with no written plan, without employee and community input, and without testing the proposed EPOD system within a few months. What happens if/when the proposed EPOD system fails? Will the state then have to scramble to reopen offices and hire laid off staff to pick up the pieces? This is simply ridiculous to dive into a project that will affect thousands of people's lives which is set up for failure.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 10, 2010 10:43 AM  
**To:** HUStestimony  
**Cc:** jshitanaka@hotmail.com  
**Subject:** Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: janice shitanaka  
Organization: Individual  
Address: 2550 apapane street lihue, hi 96766  
Phone: 808-651-9541  
E-mail: [jshitanaka@hotmail.com](mailto:jshitanaka@hotmail.com)  
Submitted on: 3/10/2010

**Comments:**

I am in great support of the proposal to prohibit use of private contracts & vendors to administer state's public assistance programs. Our DHS- Benefit Employment & Support Services Division's workforce have capable & fully trained personnel to maintain proper administration & implementation of BESSD programs necessary to meet the federal requirements for the financial (TANF) and food stamps (SNAP USDA) programs.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 10, 2010 11:33 AM  
**To:** HUS testimony  
**Cc:** cshimatsu@hawaiiantel.net  
**Subject:** Testimony for SB2650 on 3/11/2010 9:30:00 AM

Testimony for HUS/HLT 3/11/2010 9:30:00 AM SB2650

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: Crystal Shimatsu  
Organization: Individual  
Address: 9886 ape pl waimea, hi  
Phone: 808-338-9608  
E-mail: [cshimatsu@hawaiiantel.net](mailto:cshimatsu@hawaiiantel.net)  
Submitted on: 3/10/2010

**Comments:**

I am an employee and would like to thank the legislature for stepping in and proposing a bill that will stop privatization to already made services that have been with DHS for years.