

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

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

In reply, please refer to:
File:

House Committee on Health

Friday, January 27, 2012

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

HB1955

1 **Department's Position:** The Department of Health supports the intent of this measure provided
2 that its enactment does not reduce or replace priorities within our Supplemental Budget Request.

3 **Fiscal Implications:** DOH testified previously on the potential fiscal implications and identified the
4 need for approximately \$120,000 to cover staffing and travel costs. The unknown factor is the current
5 actual number or the expected growth in the number of home care agencies to license or their locations
6 throughout the state. For example, more agencies or more agencies located on the neighbor islands
7 could require more staffing or travel costs. The department will also initiate a licensing fee with the
8 hopes that the collected fees will help to offset future operating expenses.

9 **Purpose and Justification:** The department testified to the merits of the original bill in 2009 requiring
10 home care agencies to be licensed. The licensing of home care agencies is consistent with our goals and
11 objectives and will add to the expectation that all care settings or agencies that provide health care
12 and/or health related services to our vulnerable populations will be licensed to help to ensure the safety
13 of individuals receiving such care or services in their residence and, thereby, allow individuals to remain
14 in their homes.

Promoting Lifelong Health and Wellness



HOUSE COMMITTEE ON HEALTH
Rep. Ryan Yamane, Chair

Conference Room 329
January 27, 2012 at 9:00 a.m.

Supporting HB 1955: RELATING TO HOME CARE

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 40,000 people. Thank you for this opportunity to testify in support of HB 1955, which appropriates the funds necessary to begin licensing home care agencies.

A bill sponsored by HAH was passed as Act 21 in the first special session of 2009, requiring home care agencies to be licensed. Recognizing the rapid expansion of the home care industry, the Act mandates the licensure of home care agencies to assure the public that these agencies are delivering quality services. Funding for the operations of the licensing process was not included in the Act because of the lengthy rulemaking process necessary to implement licensing.

Act 21 designates DOH as the agency to license home care agencies. DOH has collaborated with home care agencies, consumer advocates, and other stakeholders to draft the administrative rules needed to implement licensing. Those draft rules are in the final stages of being completed.

The licensing of home care agencies is designed to be self-sustaining because revenues from licensing fees will cover administrative costs. However, start-up funding is needed to begin the process, and this measure appropriates the necessary funds.

For the foregoing reasons, the Healthcare Association of Hawaii supports HB 1955.

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, January 26, 2012 6:57 AM
To: HLTtestimony
Cc: Tlenzer@hawaii.rr.com
Subject: Testimony for HB1955 on 1/27/2012 9:00:00 AM

Testimony for HLT 1/27/2012 9:00:00 AM HB1955

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: Anthony Lenzer
Organization: Policy Advisory Board for Elder Affairs
E-mail: Tlenzer@hawaii.rr.com
Submitted on: 1/26/2012

Comments:

Chair Yamane and Members of the Committee:

I am testifying in support of HB 1955 on behalf of PABEA, the Policy Advisory Board for Elder Affairs, an appointed Board which advises the Executive Office on Aging (EOA). My testimony does not represent the views of EOA but of the Board.

PABEA has long supported the licensing of home care agencies. These are organizations which provide personal care and supportive services to frail elders and other persons with disabilities in their own homes. As you know, the population groups needing these services has expanded rapidly, as have the for-profit service providers. To be a "Home Care Agency" in the past, all that was needed was a general excise tax license. No background checks required for these service providers. Fortunately, the Legislature has passed a licensing law, and the Department of Health has formulated appropriate administrative rules.

When in full effect, the licensing program will be self supporting through administrative fees charged to the agencies. This Bill appropriates funds to cover the initial costs of setting up the licensing process. PABEA strongly supports this Bill.

Thank you for the opportunity to testify, and we urge your Committee to approve this necessary measure.

morikawa2 - Grant

From: Healthcare Association of Hawaii [postmaster@hah.org] on behalf of Toby Clairmont [toby@clairmont.org]
Sent: Wednesday, January 25, 2012 3:34 PM
To: HLTtestimony
Subject: Supporting HB 1955: Relating to Home Care

Jan 25, 2012

House Committee on Health
HI

Dear Committee on Health,

A bill sponsored by the Healthcare Association of Hawaii was passed as Act 21 in the first special session of 2009, requiring home care agencies to be licensed. Recognizing the rapid expansion of the home care industry, the Act mandates the licensure of home care agencies to assure the public that these agencies are delivering quality services. Funding for the operations of the licensing process was not included in the Act because of the lengthy rulemaking process necessary to implement licensing.

Act 21 designates DOH as the agency to license home care agencies. DOH has collaborated with home care agencies, consumer advocates, and other stakeholders to draft the administrative rules needed to implement licensing. Those draft rules are in the final stages of being completed.

The licensing of home care agencies is designed to be self-sustaining because revenues from licensing fees will cover administrative costs. However, start-up funding is needed to begin the process, and this measure appropriates the necessary funds.

For the foregoing reasons, I support HB 1955.

Thank you.

Sincerely,

Mr. Toby Clairmont
94-566 Holaniku St
Mililani, HI 96789-1732
(808) 625-9681

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, January 25, 2012 4:18 PM
To: HLTtestimony
Cc: LAURALEE@WAHIAWAGENERAL.ORG
Subject: Testimony for HB1955 on 1/27/2012 9:00:00 AM

Testimony for HLT 1/27/2012 9:00:00 AM HB1955

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: LAURALEE KAWAMATA
Organization: Individual
E-mail: LAURALEE@WAHIAWAGENERAL.ORG
Submitted on: 1/25/2012

Comments:
FUNDING FOR STATE LICENSURE FOR HOME CARE HELPS ASSURE PROTECTION FOR THE COMMUNITY AND IS A SAFEGUARD AGAINST FRAUD AND ABUSE. IT IS NECESSARY.

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, January 25, 2012 11:59 AM
To: HLTtestimony
Cc: jenybissell@hawaii.rr.com
Subject: Testimony for HB1955 on 1/27/2012 9:00:00 AM

Testimony for HLT 1/27/2012 9:00:00 AM HB1955

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: Jeny Bissell
Organization: Individual
E-mail: jenybissell@hawaii.rr.com
Submitted on: 1/25/2012

Comments: