

NEIL ABERCROMBIE
GOVERNOR



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February 24, 2012

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

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2676, H.D.1 - RELATING TO HUMAN SERVICES**

Hearing: Friday, February 24, 2012; 3:30 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to appropriate funds to the Department of Human Services to restore staff positions on Maui, Lanai, and Molokai that were eliminated during the 2010-2011 fiscal year; make an appropriation for 6 full-time Medicaid eligibility workers and physician positions to meet the needs of Medicaid patients; and make an appropriation for physician positions that are essential and critical in serving the needs of Medicaid patients.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill but respectfully opposes the bill. We ask that the Legislature support the Department's priorities as requested in the Executive Supplemental budget submitted by Governor Abercrombie.

A further concern is Part III of the bill that would appropriate funds to the DHS to establish physician positions within the Department to provide direct services to the Medicaid population. The Department is a healthcare purchaser and payer, but not a

provider of direct patient services.

The Department would have to purchase liability insurance for the physicians, find and set up an office or offices where patients would be seen and examined, hire ancillary medical staff (nursing staff and scheduling staff for office visits and scheduling of operating room usage), and purchase medical equipment, etc. It is not economically feasible for physician positions providing direct care to be established within the Department.

Thank you for the opportunity to comment on this bill.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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

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In reply, please refer to:
File:

Written Testimony Only

Committee on Finance

H.B. 2189, H.D. 1, Relating to Medicaid

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

February 24, 2012

- 1 **Department's Position:** The Department of Health opposes H.B. 2189, H.D. 1 Relating to Medicaid.
- 2 **Fiscal Implications:** None.
- 3 **Purpose and Justification:**
- 4
- 5 The Department of Health (DOH) respectfully opposes this bill as it may create problems with federal
- 6 compliance and force the State to pay for services without federal match dollars. Family members of
- 7 eligible Medicaid recipients are already allowed to be hired through the Developmental
- 8 Disabilities/Intellectual Disabilities Home and Community Based Service (DD/ID HCBS) Medicaid
- 9 Should there need to be a change to the definition of "family member" in the approved DD/ID HCBS
- 10 Medicaid Waiver due to new federal regulations, it could result in the State having to pay for these
- 11 services without receiving the federal matching dollars until the State statute can be revised.
- 12 Thank you for this opportunity to testify.



HAWAII DISABILITY RIGHTS CENTER

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THE HOUSE OF REPRESENTATIVES THE TWENTY-SIXTH LEGISLATURE REGULAR SESSION OF 2012

Committee on Finance Testimony in of Support of H.B.2189, HD1 Relating to Medicaid

**Friday, February 24, 2012, 3:30 P.M.
Conference Room 308**

Chair Oshiro, and Members of the Committee:

The Hawaii Disability Rights Center testifies in support of this bill.

The concept of paying family members to be caregivers makes a lot of sense. Certainly, nothing compares to being cared for by a loved one, and even a well trained worker cannot provide the same intangible level of care. We have seen in some cases that family members work outside the home and so the result is that another individual is paid to come into the home and provide the care. In the scenario where that is occurring, it may literally be cheaper, as well as a higher quality, to simply pay the family member directly to provide the care.

In the DD Waiver, we have seen good experiences with the use of the "Consumer Directed" model whereby DD recipients can in fact hire family members to be their Personal Assistants. This has been a very cost effective program and we believe that this concept is worth expanding to other Medicaid programs.

Thank you for the opportunity to testify in support of this measure.





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Friday, February 24, 2012

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

From: 'Ohana Health Plan

Re: House Bill 2189, House Draft 1-Relating to the Medicaid

Hearing: Friday, February 24, 2012, 3:30 p.m.
Hawai'i State Capitol, Room 308

'Ohana Health Plan is managed by a local team of experienced health 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 2.6 million Medicaid and Medicare members nationwide. 'Ohana has been able to take WellCare's national experience and that of our local team to develop an 'Ohana care model that addresses local members' health care, long-term care and care coordination needs.

We appreciate this opportunity to respectfully submit these comments on House Bill 2189, House Draft 1-Relating to Medicaid. The purpose of this bill is to require Medicaid home and community-based waiver programs to allow family members hired and directed by the waiver program individual to provide specific approved in-home care services to the individual.

We believe this bill is unnecessary as Medicaid home and community-based waiver programs already allow family members to be hired and directed by the waiver program individual to provide specific approved in-home care services to the individual. This is what is more commonly known as the "self-direct program".

'Ohana supports the utilization of Family members or significant others to perform certain Medicaid funded care in the home. 'Ohana currently offers the option for our membership to self-direct certain types of services in the home. Once a member is assessed as needing services such as Personal Assistance level 1 (Chore or Homemaker services), Personal Assistance level 2 (help with Activities of Daily Living or ADLs like bathing or grooming) or Nursing types of services (G-tube feedings, trach care), the member is offered the choice of having an agency provide the care or opting for the Self-Direction program. If the member selects Self-Direction, the members is electing to utilize a lay person of their choosing to perform the authorized services.

'Ohana assist the member with the hiring process and any requested background checks or training. Once the caregiver is hired, 'Ohana acts as the Fiscal Intermediary- essentially we process payroll and maintain the proper employment paperwork. The member is technically the "employer" of the caregiver.

'Ohana has offered this program since our initial go live three years ago. It is a very popular program and we have increased the number of participants from a few hundred to over 800 members today. Many of our members hire family members or significant others to be their paid caregiver. 'Ohana does not, nor have we ever, restricted family members or significant others from being paid care givers. 'Ohana will only intervene in the member's choice of caregiver if there is a safety or quality of care issue.

Thank you for this opportunity to submit these comments.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Wednesday, February 22, 2012 11:15 PM
To: FINTestimony
Cc: Tlenzer@hawaii.rr.com
Subject: Testimony for HB2189 on 2/24/2012 3:30:00 PM

Testimony for FIN 2/24/2012 3:30:00 PM HB2189

Conference room: 308
Testifier position: Comments Only
Testifier will be present: No
Submitted by: Anthony Lenzer, Ph.D
Organization: Policy Advisory Board for Elder Affairs
E-mail: Tlenzer@hawaii.rr.com
Submitted on: 2/22/2012

Comments:
Chair Oshiro and Members of the Committee:

I am testifying on behalf of the Policy Advisory Board for Elder Affairs (PABEA), which advises the Executive Office on Aging (EOA), and advocates on behalf of Hawaii's older citizens. My testimony reflects only the views of the Board.

This bill would require DHS to offer Medicaid recipients the opportunity to employ family members to provide specified, paid, in-home services. PABEA's position, in general, is to offer Medicaid recipients a choice of hiring family members or obtaining needed services the traditional way, through service providing agencies. We feel that, in many cases, family members may be more acceptable, and a better choice for a variety of reasons. However, this arrangement may well require that the recipient gets help in selecting and possibly training the family member; a financial management system to handle payments, etc. The Ohana Health Plan's testimony describes one viable model of client support. However, only 800 Ohana clients - out of their many thousands of clients - currently use this option.

We understand that family members who now provide these services (not necessarily through Ohana) are paid only minimum wage. If so, a more appropriate wage scale, as well as wider use of recipient support services, may be needed to make this a true option for Medicaid recipients.

Thank you for the opportunity to testify on this legislation.