

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN
DIRECTOR

LATE

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 31, 2012

MEMORANDUM

TO: The Honorable Ryan I. Yamane
House Committee on Health

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

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2776 - RELATING TO LIABILITY INSURANCE**

Hearing: Tuesday, January 31, 2012; 10:00 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of H.B. 2776 is to require all operators of adult foster homes, adult residential care homes, assisted living facilities, expanded adult residential care homes, and community care foster family homes to obtain and maintain sufficient liability insurance.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) respectfully opposes Section 2 of this bill.

Hawaii Administrative Rules section 17-1454-49 require the Community Care Foster Family Homes (CCFFHs) to have liability insurance in order to be certified as a CCFFH. In addition, the CCFFH must have a contract with the Med-QUEST Division's health plans in order to be paid for services rendered to Medicaid clients. The health plan contracts also require the CCFFH to have liability insurance.

The Department of Health (DOH) has the licensing authority over the Assisted Living Facilities (ALF) and Expanded Adult Residential Care Homes (EARCHs). DHS becomes involved with the ALF and EARCH when a Medicaid client is placed in these facilities and payment for services is needed. In order to be paid, the ALF or the EARCH must have a contract with a health plan. Liability insurance is a requirement for the health plan contract.

Thank you for the opportunity to provide comments on this bill.

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 8:49 AM
To: HLTtestimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for HB2776 on 1/31/2012 10:00:00 AM

LATE

Testimony for HLT/HUS 1/31/2012 10:00:00 AM HB2776

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 1/31/2012

Comments: