



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

February 14, 2011

**MEMORANDUM**

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

FROM: Patricia McManaman, Interim Director

SUBJECT: **H.B. 769, H.D. 1 - RELATING TO HUMAN SERVICES**

Hearing: Monday, February 14, 2010 10:00 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of H.B. 769, H.D. 1, is to require the Department of Human Services (DHS) to oversee a three-year demonstration project permitting two private-pay individuals to live in the same Community Care Foster Family Home (CCFFH) under specified conditions.

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

As of January 31, 2011, there were a total of 1,053 certified CCFFHs with approximately 1,048 beds available for private-paying individuals and 1,396 beds reserved for Medicaid clients. A review of the Department of Health's website identified 242 licensed Expanded Care Adult Residential Care Homes (E-ARCHs) with approximately 500 beds available for residents. E-ARCHs may admit two or three individuals at the nursing facility level of care with no restrictions as to the number of private-paying individuals.

In total, there are approximately 1,548 beds statewide that may be available for private-paying individuals in the CCFFHs and E-ARCHs. In contrast, there are only 1,396 beds available statewide that must be reserved for Medicaid clients in the CCFFHs.

Act 13, SLH 2009, required DHS to conduct a two-year demonstration project that allowed the placement of two private-paying clients into a CCFFH with specified conditions similar to those identified in H.B 769, H.D. 1. This demonstration project will end on April 22, 2011. During the period from April 2009 to September 2010, there was only one request that met the requirements for placement of a second private-paying client into a CCFFH. This request was successfully met. At present, there are no current requests for such placements.

Rather than embarking on another three-year demonstration project, DHS would like to recommend that the private-paying individual at the nursing facility level of care who wants to be placed in the community and who has a spouse or other significant person who may also need placement in the near future, should consider admission into a licensed E-ARCH. The E-ARCHs have the ability to be more flexible than the CCFFHs in terms of being able to admit two or three private-paying individuals, depending upon the home's licensure.

The CCFFHs remain the only community placement resource that is required to admit eligible Medicaid clients. Without this resource, Medicaid clients will remain in hospitals or nursing facilities, at a higher Medicaid reimbursement rate, because the community placements will be unavailable for them.

Thank you for the opportunity to provide testimony.