

NEIL ABERCROMBIE  
GOVERNOR



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April 3, 2012

**MEMORANDUM**

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

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2126, S.D. 2, H.D. 1 - RELATING TO HEALTH CARE**

Hearing: Tuesday, April 3, 2012, 6:00 p.m.  
Conference Room 308, State Capitol

**PURPOSE:** The purposes of S.B. 2126, S.D.2, H.D.1 are to consolidate the authority, duties, responsibilities, and jurisdiction of the Department of Human Services (DHS) and the Department of Health (DOH) as they relate to various health care services; to transfer the programs of DHS relating to home and community-based case management, community care foster family homes, and adult day care to DOH; and to appropriate funds to DOH for the duties which are not wholly covered by the transfer of funds from DHS.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports S.B. 2126, S.D.2, H.D. 1.

DHS and DOH have been in discussion regarding the transfer of licensure and certification authority for adult day care centers, community care foster family homes (CCFFH), and case management agencies (CMA) from DHS to DOH. The two

departments are in agreement that the consolidation of these functions within one department will improve efficiency and capacity in the health care settings.

Funds currently being expended by DHS for these functions will be transferred to DOH upon the effective date of the transfer. These funds include the contract amounts for licensure/certification of the health care services, for background checks required by state statutes, and for a half-time position to oversee the functions being transferred.

DHS is recommending that the following changes be made to the language of this bill for clarity:

- **§321-D Background checks, subsection (f)(2)**, should read as follows:

“(f) (2) Be subject to adult abuse perpetrator checks, if the individual has direct contact with a client. For the purposes of this section, “adult abuse perpetrator check” means a search to determine whether an individual is known to the department of human services as a perpetrator of abuse as defined in section 346-222, by means of a search of the individual’s name and birth date in the department’s adult protective service files; and .....

The Department of Human Services is statutorily required to maintain the adult abuse and neglect central registry per section 346-224, Hawaii Revised Statutes.

- **§321-G, Definitions:** The definition for “Day care center” should be amended to read as follows:

““Day care center” includes a place designated for group care for four or more adults or a family home providing care for two or [~~three~~] more adults.”

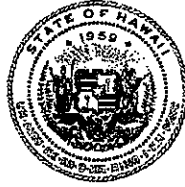
This language will bring the state statute in line with county zoning laws that permit a family home licensed as a day care center to provide care up to a specified number of individuals. Because zoning laws may vary from county to county, the maximum number of individuals being provided care in a family home licensed as a day

care center may also vary. The suggested amendment to the definition of "day care center" will allow flexibility in family home licensure as long as applicable county laws are met.

The Department of Human Services is committed to continue working with the DOH to ensure an efficient transition. We respectfully request that **July 1, 2014** be identified as the effective date for the transfer of the licensure/certification functions and the funds associated with the transfer.

Thank you for the opportunity to provide comments 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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HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

## House Committee on Finance

### SB 2126, SD 2 HD 1, Relating to Health Care

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

Tuesday, April 3, 2012

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

4 **Fiscal Implications:** In fiscal year 2015, DOH would require a total of an additional approximately  
5 \$80,000 for the following: \$50,000 to manage the adult day care licensing program and approximately  
6 \$30,000 in staffing in addition to monies agreed to by DHS to create a full time position, and the  
7 legislature's approval of the addition of a full-time position within DOH. However, these resources will  
8 be needed for fiscal year 2015 when the transfer occurs on July 1, 2014.

9 **Purpose and Justification:** The DOH and Department of Human Services have been discussing the  
10 merits of consolidating the certification of the adult community care foster family homes, adult day care  
11 centers, and case management agencies into the DOH program that currently performs the state  
12 licensing functions of adult residential care homes, assisted living facilities, and other community based  
13 residential care facilities. Both departments believe consolidation to be a prudent way of contributing to  
14 the governor's New Day initiatives of improving and streamlining government.

*Promoting Lifelong Health and Wellness*

1 The department recommends the following changes to the current draft bill for clarity:

2 1. At page 17, Line 14 under Section 321-D, the text should read "...individual is known to  
3 the department of human services as a perpetrator of abuse..." And again at Line 17, the  
4 text should read "...department of human services' adult protective services files... This  
5 clarifies the department.

6 2. At page 19, Line 6 under Section 321-G, the text should read "...two or more adults." This  
7 will allow flexibility for family homes as long as the home conforms to county laws.

8 In closing, DOH supports this bill with the above amendments and only if full funding and a full-  
9 time position count accompany the transfer on July 1, 2014, but not at the expense of the department's  
10 other priorities.

11 Thank you for the opportunity to testify.

# Hawai'i Alliance for Retired Americans

An affiliate of the Alliance for Retired Americans  
c/o AFSCME · 888 Mililani Street, Suite 101 · Honolulu, Hawaii 96813

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*AFT Hawaii Retirees  
HGEA Retirees  
HSTA – Retired  
ILWU Retirees  
Kokua Council  
Machinists Union Retirees  
UPW Retirees  
ADA/Hawaii  
Hawaii Family Caregivers Coalition  
Kupuna Education Center*

(Submitted by email to: [FINtestimony@Capitol.hawaii.gov](mailto:FINtestimony@Capitol.hawaii.gov) April 1, 2012)

## Hearing of House Committee on Finance

**April 3, 2012, 6:00 p.m. Conference Room 308**

Testimony of Al Hamai on SB2126, SD2, HD1, Relating to Health Care

Chair Marcus R. Oshiro, Vice Chair Marilyn B. Lee and Committee Members,

HARA supports SB2126, SD2, HD1 which purposes to consolidate the authority, duties, responsibilities, and jurisdiction of the Department of Human Services and Department of Health, as they relate to various health care services. We believe that the consumers of these services will benefit by this consolidation into the Department of Health. This will mean one fewer department and its policies and procedures to deal with. Hopefully this consolidation will be user friendly.

Please approve SB2126, SD2, HD1

Mahalo and Aloha.

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 03, 2012 8:22 AM  
**To:** FINTestimony  
**Cc:** robertscottwall@yahoo.com  
**Subject:** Testimony for SB2126 on 4/3/2012 6:00:00 PM

Testimony for FIN 4/3/2012 6:00:00 PM SB2126

Conference room: 308  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Scott Wall  
Organization: United Self Help  
E-mail: [robertscottwall@yahoo.com](mailto:robertscottwall@yahoo.com)  
Submitted on: 4/3/2012

**Comments:**

Aloha,

My name is Scott Wall and I am writing on behalf of United Self Help. We strongly support SB2126.

Sometimes people get an idea that they think would be great. A lot of time it is. The moving of case management services to the jurisdiction of DHS wasn't.

The consumers of Hawaii have a relationship with the Department of Health. There are people that we know. People that care about us. When the supervision of case management switched over to DHS it felt as if we simply became a file. We had no steady supervision. Everytime you called, if someone answered, it was a different person.

Granted the staff at DHS was decimated at virtually the same time but we still felt like we had become simply a piece of paper.

Please hand responsibility for the oversight of case management back to the Department of Health and the people who know and care about us.

Mahalo,

Scott Wall

United Self Help