

# SB 2126

Measure Title: RELATING TO HEALTH CARE.

Report Title: Health Care Services; Consolidation; Department of Human Services;  
Department of Health

Description: Consolidates the authority, duties, responsibilities, and jurisdiction of the department of human services and the department of health, as they relate to various health care services; transfers the programs of the department of human services relating to home and community-based case management, community care foster family homes, and adult day care to the department of health on July 1, 2014.

Companion:

Package: None

Current Referral: HTH/HMS/JDL, WAM

Introducer(s): CHUN OAKLAND, ESPERO, GREEN, Dela Cruz, Fukunaga, Gabbard, Ihara, Slom, Wakai



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

In reply, please refer to:  
File:

**Senate Committee on Health, Human Services, Judiciary and Labor**

**SB 2126, Relating to Health Care**

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

**Monday, February 6, 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.

3 **Fiscal Implications:** DOH would require a total of an additional (approximately) \$110,000 for the  
4 following: \$50,000 for adult day care, \$30,000 for background checks, and approximately \$30,000 in  
5 staffing in addition to monies agreed to by DHS to create a full-time position.

6 **Purpose and Justification:** The DOH and Department of Human Services have been discussing the  
7 merits of consolidating the certification of the adult community care foster family homes, adult day care  
8 centers, and case management agencies into the DOH program that currently performs the State  
9 licensing functions of adult residential care homes, assisted living facilities, and other community based  
10 residential care facilities. Both departments believe consolidation to be a prudent way of contributing to  
11 the Governor's New Day initiatives of improving and streamlining government. Currently, DHS  
12 contracts with Community Ties of America (CTA) to conduct the certification of the foster homes, day  
13 care centers and case management agencies. DHS's contract fees come from a combination of federal  
14 and general funds. However, the transfer of DHS general funds does not appear to be sufficient to allow  
15 DOH to adequately operate the program. DOH would require an additional \$110,000 to safely and

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1 effectively manage the program without negatively impacting DOH's operations or current priorities.  
2 DOH appreciates the transfer of \$991,524 from DHS to cover the costs of certification of adult  
3 community care foster family homes, a major portion of the background check costs and half of a full-  
4 time position. Nevertheless as mentioned earlier, DOH requests an additional \$110,000 of general funds  
5 to cover the cost of the unbudgeted expenses of certifying the adult day care centers, the remainder of  
6 the background check costs and the remaining half of the full-time position. In short, DOH supports this  
7 bill only if full funding accompanies the transfer of the added responsibilities and duties but not at the  
8 expense of the department's priorities as outlined in the Supplemental Budget Request.

NEIL ABERCROMBIE  
GOVERNOR



BARBARA A. KRIEG  
INTERIM DIRECTOR

DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

February 3, 2012

TESTIMONY TO THE  
SENATE COMMITTEES  
ON  
HEALTH, HUMAN SERVICES, AND JUDICIARY AND LABOR

For Hearing on Monday, February 6, 2012  
2:45 p.m., Conference Room 229

BY

BARBARA A. KRIEG  
INTERIM DIRECTOR

**Senate Bill No. 2126  
Relating to Health Care**

**WRITTEN TESTIMONY ONLY**

TO CHAIRPERSONS GREEN, CHUN OAKLAND, AND HEE AND MEMBERS OF THE  
COMMITTEES:

The purpose of S.B. No. 2126 is to consolidate the authority, duties, responsibilities, and jurisdiction of the Department of Human Services and the Department of Health, as they relate to various health care services; and transfers the programs of the Department of Human Services relating to home and community-based case management, community care foster family homes, and adult day care to the Department of Health on July 1, 2014.

The Department of Human Resources Development has **comments** on the proposed transfer. To protect the rights and benefits of the employees to be transferred, we prefer the following proposed transfer language be used in place of the transfer language pertaining to employees in Section 9 of the bill:

"All employees who occupy civil service positions and whose functions are transferred to the department of health by this act shall retain their civil service status (permanent or temporary). Employees shall be transferred without loss of salary, seniority, retention points, prior service credit, any vacation and sick leave credits previously earned, and other rights, benefits, and privileges, in accordance with state personnel laws and this Act, provided that the employees possess the minimum qualifications and public employment requirements for the class and/or position to which transferred or appointed, as applicable, provided further that subsequent changes in status may be made pursuant to applicable civil service and compensation laws.

Any employee who, prior to this Act, is exempt from civil service and is transferred as a consequence of this Act, may continue to retain the employee's exempt status, but shall not be appointed to a civil service position because of this Act. An exempt employee who is transferred by this Act shall not suffer any loss of prior service credit, any vacation and sick leave credits previously earned, or other employee benefits or privileges as a consequence of this Act, provided that the employees possess legal and public employment requirements for the position to which transferred or appointed, as applicable; provided that subsequent changes in status may be made pursuant to applicable employment and compensation laws. The director may prescribe the duties and qualifications of such employees and fix their salaries without regard to chapter 76, Hawaii Revised Statutes."

Thank you for the opportunity to offer comments on this measure.

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**From:** Mailing List  
**Sent:** Sunday, February 05, 2012 9:30 AM  
**To:** HTHTestimony  
**Cc:** Tlenzer@hawaii.rr.com  
**Subject:** Testimony for SB2126 on 2/6/2012 2:45:00 PM

Testimony for HTH/HMS/JDL 2/6/2012 2:45:00 PM SB2126

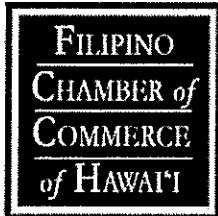
Conference room: 229  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Anthony Lenzer, Ph.D  
Organization: Policy Advisory Board for Elder Affairs  
E-mail: [Tlenzer@hawaii.rr.com](mailto:Tlenzer@hawaii.rr.com)  
Submitted on: 2/5/2012

Comments:

I am testifying on behalf of PABEA, the Policy Advisory Board for Elder Affairs, which advises the Executive Office on Aging, and advocates for Hawaii's older adults. My testimony reflects only the views of the Board and not that of EOA.

PABEA strongly supports SB 2126, which transfers the programs relating to home and community-based case management, adult foster homes, and adult day care from the Department of Human Services to the Department of Health, effective July 2014. The purpose of this transfer of programs is to consolidate regulation and monitoring of all long-term service providers under one agency. PABEA has long believed that such a consolidation will have several beneficial effects. First, it will allow comprehensive review of all existing rules and regulations affecting these service providers, with removal of inconsistencies or inappropriate provisions. Second, it will encourage the development of a true long-term care services "system." Third, it will greatly reduce confusion on the part of consumers and providers as to where to obtain information about the range of available long-term care services. I might add that this consolidation has been a major recommendation of the State's Long Term Care Commission, in its recent report to the Legislature.

For these reasons, PABEA hopes that your Committees will give this measure your strong support. Thank you for the opportunity to testify.



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*Legal Counsel*

**BRYAN ANDAYA, ESQ.**  
*Chair, Government Affairs*

1125 North King Street  
Suite 302  
Honolulu, Hawaii 96817

Tel.: (808) 843-8838  
Fax: (808) 843-8868

Email:  
[filipinochamberhi@gmail.com](mailto:filipinochamberhi@gmail.com)  
Website:  
[www.filipinochamber.org](http://www.filipinochamber.org)

# FILIPINO CHAMBER OF COMMERCE OF HAWAII

*Promoting Hawaii's Business Community since 1954*

February 3, 2012

RE: SB2126 – Testimony in Opposition – HUS/HMS/JDL 2/6/12 – Rm. 016 2:45 p.m.

Chairs Green, Chun Oakland, Hee, and Members of the Committee:

The Filipino Chamber **opposes SB2126**, which proposes to transfer oversight of Community Care Foster Family Homes (foster homes) from the Department of Human Services (DHS) to the Department of Health (DOH). Although we appreciate the intent of the bill, we oppose this measure because the bill does not contain any safeguards for the availability of quality care for elderly and disabled clients.

As you know, the genesis of the foster home program stemmed from the desire to keep those who are unable to care for themselves in the community. Clients in foster homes maintain their dignity by leading as normal of a life for as long as possible in a family setting.

Foster homes and other home and community-based health care programs save the State of Hawaii and the Medicaid program millions of dollars every year by providing care at a fraction of the cost of a nursing home or larger facility. Foster home operators make this cost-savings happen by sacrificing their own livelihood. Although they are compensated \$2,500 per month per client, foster homes provide 24/7 care, which equates to 5,040 hours of care per patient resulting in a rate of \$.49 per hour. Operators sacrifice their privacy and accept what would be strangers as part of their family.

The potential disruption to client care and disruption to foster home businesses cannot be taken lightly. About two years ago, the Office of Health Care Assurance (OHCA), Dept. of Health, proposed instituting license fees on Adult Residential Care Homes (ARCH). OHCA's proposed "user" fees on the homes was about \$3,500 per home annually! This exorbitant "user" fee would kill the foster homes, disrupting client care.

Operators have also expressed concerns that DOH will impose the medical model onto the foster home program, which would fundamentally change the nature of the care they provide. While DHS, with its big heart, has applied the social model to foster quality of life for clients, DOH's requirements appear more medically centered. Foster home operators remain deeply concerned over the effect this change in philosophy will have on their clients and their business.

We realize much of the concerns are based on speculation. However, there have been no assurances that the proposed user fees of \$3,500 and other new requirements will not be imposed on foster homes.

If this committee is inclined to pass this bill, we request a few amendments that ensure a smooth transition in what appears to be a fundamental change. We request language that would keep the status quo in place, unless the operators and other stakeholders can agree otherwise.

For these reasons, the Filipino Chamber of Commerce requests SB2126 be deferred or amended.

Very truly yours,

Filipino Chamber of Commerce  
By: Bryan P. Andaya



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**From:** Mailing List  
**Sent:** Saturday, February 04, 2012 9:36 AM  
**To:** HTHTestimony  
**Cc:** robertscottwall@yahoo.com  
**Subject:** Testimony for SB2126 on 2/6/2012 2:45:00 PM

Testimony for HTH/HMS/JDL 2/6/2012 2:45:00 PM SB2126

Conference room: 229  
Testifier position: Support  
Testifier will be present: Yes  
Submitted by: Scott Wall  
Organization: Individual  
E-mail: [robertscottwall@yahoo.com](mailto:robertscottwall@yahoo.com)  
Submitted on: 2/4/2012

Comments:

I support this bill. In the last three years since case management has been shifted over to DHS the satisfaction of the consumers has fallen dramatically. Over the years a personal relationship developed between the Department of Health and Consumers. That relationship simply does not exist with DHS. When we had a problem their were individual people with individual faces at DOH that we could talk to. DHS is simply a phone number with a random person answering it. When you are a consumer and in a crisis mode a stranger is not who you want to talk to. You want to speak to a familier person who has something vested in you and your case. We would like to return home to the Department of Health.

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**From:** Mailing List  
**Sent:** Saturday, February 04, 2012 5:04 PM  
**To:** HTHTestimony  
**Cc:** Brenda.Kosky@gmail.com  
**Subject:** Testimony for SB2126 on 2/6/2012 2:45:00 PM

Testimony for HTH/HMS/JDL 2/6/2012 2:45:00 PM SB2126

Conference room: 229  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Brenda Kosky  
Organization: Individual  
E-mail: [Brenda.Kosky@gmail.com](mailto:Brenda.Kosky@gmail.com)  
Submitted on: 2/4/2012

Comments:  
Strongly