



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

In reply, please refer to:
File:

House Committee on Finance

HB 1208, HD1, Relating to Certification and Licensure Fees

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health
February 14, 2013**

1 **Department's Position:** Strongly Oppose as Unnecessary.

2 **Fiscal Implications:** Costs are expected to be minimal; essentially the cost to compute licensure fees to
3 recoup the cost of licensure activities and to create administrative rules under DOH's jurisdiction. No
4 additional staffing is anticipated to determine licensure fees or to create administrative rules.

5 **Purpose and Justification:** The department appreciates the bill's intent to aid in the transition of this
6 licensure program from DHS to DOH. This bill would require DHS to determine certification or
7 licensure fees on community care foster family homes, case management agencies, and adult day care
8 centers prior to the transfer of these programs to DOH. DOH will defer to DHS on this portion of the
9 bill. However, the bill also would require DOH to accept those fees. The DOH strongly opposes this
10 portion of the bill as unnecessary since the DOH can determine its own licensure fee schedule prior to
11 the transition and without being mandated to accept the fee schedule of another state agency.



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

February 14, 2013

MEMORANDUM

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 1208, H.D.1 - RELATING TO CERTIFICATION AND
LICENSURE FEES**

Hearing: February 14, 2013, 3:30 p.m.
Conference Room 308, State Capital

PURPOSE: The purpose of H.B. 1208, H.D.1 is to require the Department of Human Services to establish fees for certain programs transferred to the Department of Health and for the Department of Health to collect the same fees when the programs are transferred. It also requires the Department of Human Services to set and collect fees for training and recertification of nurse aides.

DEPARTMENT'S POSITION: Section 2 of this bill would statutorily require the Department of Human Services (DHS) to gather relevant data and recommend reasonable fees to be assessed for certification, licensure, certification renewal, or license renewal for certified or licensed providers of home and community-based case management, community care foster family home, and adult day care center services. The Department of Health is required to adopt such fees by rule pursuant to chapter 91 to be effective as of July 1, 2014.

The DHS is willing to collect the information to recommend fees for the Adult Day Care Centers, Community Care Case Management Agencies, and Community Care Foster Family Homes that the DHS will be transferring to the Department of Health (DOH) effective July 1, 2014. Once the programs are transferred, however, the fees schedules should be the responsibility of the DOH. We would respectfully recommend that section 2 of this bill be advanced as a session law or a resolution requesting that the DHS collect such information to propose initial recommended fees to the DOH for their consideration. The DHS should not be statutorily required to set the fee schedules for programs that are the responsibility of another department.

The Department of Human Services (DHS) has serious concerns on Section 3 of this bill to recommend fees for training and recertification of nurse aides in order to offset the human service budget deficits.

- Nurse aides already pay fees for their initial certification and on-going recertification as specified by the Department of Commerce and Consumer Affairs. Nurse aides are reimbursed by the Med-QUEST Division (MQD) of the DHS for the cost of their training, pursuant to federal regulations, 42CFR483.152(c), governing nurse aides in long-term care nursing facilities.
- The Nurse Aide schools that provide the curriculum and training for the nurse aides must be certified by the State as specified by federal CFR. It is our understanding that this bill would charge the Nurse Aide schools a fee in order to obtain a State certification.
- The federal CFR is silent in regard to whether a State may charge a fee for a Nurse Aide school to be certified.

- If the State of Hawaii were to charge a fee then the State cannot claim Federal Financial Participation (FFP) for the administrative cost of ensuring the compliance of the schools.
- At present, the DHS contracts with provider Community Ties of America to certify the Nurse Aide schools and ensure their compliance with the CFR. MQD pays 50% of the administrative cost of the contract amount. MQD then claims FFP on this amount.
- If the State charges the Nurse Aide schools a fee in order to be certified, then the State will NOT be able to claim FFP on the contract amount. The certification fee would take the place of any FFP reimbursement that the State could have claimed.
- It is questionable whether it is advantageous for the State to forego claiming FFP and instead depend upon fees collected from the Nurse Aide schools to offset the administrative costs of this program.
- An adverse consequence of charging the Nurse Aide schools a certification fee is that there will be no incentive for the schools to continue to provide this service, MQD will not have providers to train the nurse aides, and nursing facilities will not have federally required Certified Nurse Aide personnel to staff their facilities.
- The Attorney General's Office will need to review any proposal for the establishment of a certification fee to be charged to the Nurse Aide schools, to ensure compliance with MQD federal requirements for this program.

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