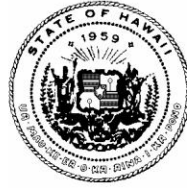


NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN
DIRECTOR

BARBARA A. YAMASHITA
DEPUTY DIRECTOR

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

February 25, 2014

MEMORANDUM:

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

FROM: Barbara Yamashita, Deputy Director

SUBJECT: **H.B. 1695, H.D. 1– RELATING TO HEALTH CARE**

Hearing: Tuesday, February 25, 2014; 2:00 p.m.
Conference Room 308; State Capitol

PURPOSE: The purpose of this bill is to amend the state supplemental income for adult residential care homes (ARCHs), expanded ARCHs, and other homes specified in section 346-53, Hawaii Revised Statutes, and changes the public assistance allowance to equal an unspecified percentage of the current poverty level established by the federal government. Effective July 1, 2014.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) provides the following comments on this bill.

This bill would change the assistance payments for the Temporary Assistance for Needy Families (TANF), the Temporary Assistance for Other Needy Families (TAONF), and the Aid to the Aged, Blind, and Disabled (AABD) programs by changing the standard of assistance from the 2006 Federal Poverty Level (FPL) to the current

year FPL and changing the percentage on which the assistance allowance is based. The additional funding necessary, depending on the FPL year and the assistance allowance percentage would be in the millions.

The 2014 FPL is 19% higher than the 2006 FPL. Using current assistance allowance percentages in statute (48% for TANF/TAONF and 34% for AABD), a projected additional funding in the amount of \$13,175,001 would be required for the TANF/TAONF and AABD programs.

Using the 2014 FPL and an assistance allowance percentage of 100% for the AABD program, will require an additional \$8,017,808 in state funds over the current allocation of \$4,029,480, or a total of \$12,047,568 in state funds. For TANF/TAONF, this will require additional funding in the amount of \$121,197,008 over the current allocation of \$66,694,156, for a total projected expenditure of \$187,891,164 (in state and federal funds). The annual TANF block grant received from the federal government is \$98.9 million.

This bill also proposes to change the state supplemental income provided to residents of adult residential care homes (ARCHs), expanded ARCHs, and other homes specified in section 346-53, Hawaii Revised Statutes. The DHS will require additional state funds to administer and implement the increases. In calendar year 2013, an average of 2,594 individuals received monthly payments. The Fiscal Year 2014 budget for the state supplemental payments is \$17,810,955. The additional funding for the state supplemental income payments that will be necessary, based on the current number of residents in these facilities, would range from \$312,000 a year for a \$10 monthly increase to \$936,000 a year for a \$30 monthly increase to \$1.56 million per

year for a \$50 monthly increase. This does not include the additional funding for the administrative fees required by the federal government.

The state supplemental payments are added to a resident's monthly Social Security benefits by the Social Security Administration (SSA) through an agreement with the DHS. The SSA requires a minimum of three months to make the necessary programming changes to ensure that the residents of the residential care facilities receive the correct amounts. An effective date of October 1, 2014 is recommended should any changes be made to the state supplemental income rates.

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

finance1

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 24, 2014 1:48 PM
To: FINTestimony
Cc: cariagacora@yahoo.com
Subject: *Submitted testimony for HB1695 on Feb 25, 2014 14:00PM*

HB1695

Submitted on: 2/24/2014

Testimony for FIN on Feb 25, 2014 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Maria Corazon E. Cariaga	Big Island Adult foster home operators	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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THE UNITED GROUP OF HOME OPERATORS (UGHO)
30 years of Excellence Serving our Elderly and Disabled

Testimony on HB 1693 for FIN
Thursday, February 25, 2014 at 2:00 PM
State Capitol, Conference Room 308

LATE

Aloha Chair Sylvia Luke, Vice Chairs Nishimoto and Johanson and members of FIN.

I am Esther Pascual, President of The United Group of Home Operators (UGHO).

UGHO representing 100's of ARCH's caring for Hawaii's fragile elderly & physically and mentally challenged.

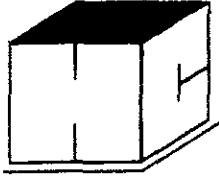
For the past 30 years, UGHO members have operated residential care homes that provide assisted living accommodations in a stress free, small family atmosphere for their residents including the elderly and individuals with disabilities who otherwise would be unable to care for themselves.

The over regulation and extra ordinary over sight of this industry has raised the costs of operating care homes etc. and driving them to bankruptcy. Inflating the cost of living has also risen dramatically to its has driven many legitimate operators out of business since its driving up the costs of operations to the State is so extreme without a corresponding increase in payments to the care givers. This does a great disservice to the aged and elder who prefer the comfortable and relaxed setting of a private home instead of being institutionalized in a huge nursing home.

Care Homes, Adult Foster Homes and all other community based assisted living facility are barely making ends meet so any delay in their payments from the state can result in turn, for them to make late payments on their mortgage, credit cards, hurting their credit rating and increasing their costs to obtain credit.

Keep in mind these are community based homes and the residents and home operators are only mom and pop small businesses that have to rely on the own credit rating to survive. Care homes and Foster homes should be compensated for injury to their credit and receive 10% interest for all monies that were not paid on time.

Thank you very for your attention.



CAREGIVERS ASSOCIATION

LATE

The Caregivers Association strongly supports HB 1693 requiring the state to pay interest on late payments to all caregivers. The people who are tasked to pay the caregivers timely should do their jobs more efficiently. Only recently some caregivers faced mortgage foreclosures because they have not gotten paid by the state for more than three months.

The Caregivers Association also supports HB 1695.

The Office of community Services needs more funds to implement its services more efficiently and effectively. We strongly support HB 1737

HB 2131 benefits both sides. We support this bill

Submitted by:

Constante A. Domingo

President, Caregivers Association

LATE

To: The Honorable Sylvia Luke, Chair
The Honorable Scott Y. Nishimoto, Vice Chair
The Honorable Aaron Ling Johanson, Vice Chair and members

From: Lilia Fajotina, ARCA President
(Alliance of Residential Care Administrators)

RE: HB1693, Relating to Human Services

Hearing: Tuesday, February 25, 2014

Time: 2:00 P.M.
Conference Room 308
State Capitol
415 South Beretania Street

I fully support the HB1693

As a caregiver my self, I I know how hard it to work with our residents. I am not complaining because that's what I chose to do as my career in life. But it is disheartening when you are already working so hard, sometimes neglecting my husband and children, and I still have to struggle with my pay from the State because of always late payments. And I just don't mean days, I have to wait months for my paycheck.

Right now, I have 3 residents from the Adult Mental Health Division and 2 residents under the state, until now I never get paid for 4 months. We only have but so much money in savings to pay for our mortgage. And mortgage is not all what we have to pay. We have feed our residents, pay utilities, buy gas to bring them to their doctor's appointments; in the meantime, we may be losing our homes. There are caregivers who close to lost their homes because of the late payments of the state. When we are behind with our mortgage payments, the banks or lending institutions charge us interest and penalties by the thousands.

We are asking the legislature to please look into this matter, as we would also like to be paid on time like everyone else that works for the State. Please ask your selves..." How would I feel if I was in her shoes..? I go to work so I can be paid, so that I can eat and survive.

I strongly support the bill and with high hopes that the State legislators will really look into the heart of the matter...

Thank you for allowing me to testify.

Testimony in Support of HB 1693

LATE

FIN Committee
February 25, 2014, 2:00 p.m.
Hawai'i State Legislature

Measure Title: REQUIRES THE STATE TO PAY INTEREST ON LATE PAYMENTS TO AN OPERATOR OF AN ADULT DAY CARE FACILITY, COMMUNITY CARE FOSTER FAMILY HOME, OR ADULT RESIDENTIAL CARE HOME. EFFECTIVE JULY 1, 2050.

To: Chair Sylvia Luke, Vice Chair Scott Nishimoto & Aaron Ling Johanson and Members of the Committee

From: United Group of Home Operators

We are members of the United Group of Home Operators and we strongly support requiring the State to pay interest on late payments to an operator of an adult day care facility, community care foster family home, or adult residential care home.

We thank you for your time and humbly ask for your support on HB 1693.

Thank you,

Juanita Ulep
Shirley Magaoay
Roger Apuya
Levy Vargas
Marilyn Villar
Linda Guting

finance1

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 25, 2014 10:53 AM
To: FINTestimony
Cc: leslie.cabingabang@gmail.com
Subject: *Submitted testimony for HB1693 on Feb 25, 2014 14:00PM*

LATE

HB1693

Submitted on: 2/25/2014

Testimony for FIN on Feb 25, 2014 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Leslie D. Cabingabang	Individual	Support	No

Comments:

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finance1

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 25, 2014 10:51 AM
To: FINTestimony
Cc: deliacabingabang@gmail.com
Subject: *Submitted testimony for HB1693 on Feb 25, 2014 14:00PM*

LATE

HB1693

Submitted on: 2/25/2014

Testimony for FIN on Feb 25, 2014 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Delia Cabingabang	Individual	Support	No

Comments:

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THE UNITED GROUP HOME OPERATORS
37 Years of Excellence Serving our Elderly and Disabled

LATE TESTIMONY

Testimony on HB 1695 HD1

Tuesday, February 25, 2014 at 2:00 PM

Committee on Finance (FIN)

Conference Room 308

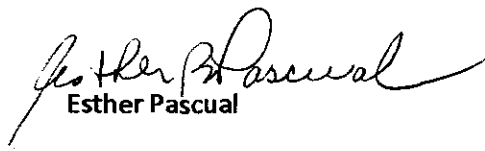
Good Afternoon Chair, Vice Chair and Members of the Committee on Finance:

I am Esther Pascual, President of the United Group of Home Operators (UGHO). About 37 years now, the UGHO members have operated residential care homes that provide assisted living accommodations in a stress free, small family atmosphere for the elderly, ^{the mentally challenged} frail elderly, and dependent disabled residents.

The meager payment by the State to the Adult Residential Care Homes does not reflect the true cost to the operators, who in some cases are losing money for caring the elderly and the disabled placed in our homes. Some of us care home operators are in a dilemma and not able to retire due to a sense of loyalty, dedication, and devotion that we have to our residents who have come to know us as the only family and even refuse to move to another care home or to any other community-based facility. Today, the State currently pays each Medicaid patient who are the ward of the State placed in ARCH's \$1,322.00 a month. This covers room and board, utility bills, mileage, taxes, liability business insurance, repair and maintenance, substitute care givers, and most of all the 24/7 care services provided to each individual resident. Summing up all the above expenses, we are truly underpaid. But, Adult Residential Care HOMES save the State, the Federal and the private families over \$90,000,000 a year.

The last increase was six years ago in 2008. Inflation and the cost of living has also risen dramatically without a corresponding increase in payment to us care givers. Therefore, we strongly support HB 1695 HD1, that would increase the state supplemental payment and provides annual adjustment to Adult Residential Care Homes, DDOM Homes, Community Care Foster Family Foster Homes, and Certified Adult Foster Homes. I believe that all of the above mentioned homes provide essential services to the people of Hawaii, the most affordable community-based facilities for the elderly and the dependent disabled patients. I am sure that we can make our CARE Home industry more appealing to attract and encourage the opening of more Care Homes to meet the future needs of our Kupuna. In closing, we ask the entire Finance Committee, to please support and pass HB 1695 HD1, that would allow this valuable services to continue and thrive.

Thank you for the opportunity to testify.



Esther Pascual

Care Operator and UGHO President

LATE TESTIMONY

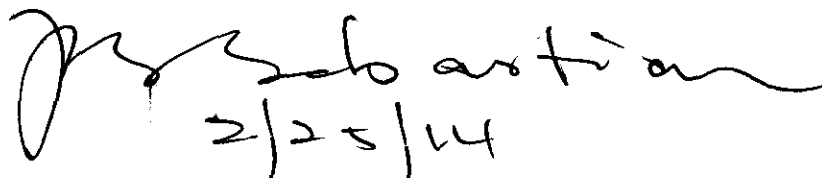
BILL #1695 – INCREASE IN PAY DUE TO HIGHER COST OF LIVING/INFLATION

GOOO AFTERNOON, MR. OR MS. CHAIRMAN ANO MEMBERS OF FINANCE COMMITTEE.

MY NAME IS ROSE SEBASTIAN, ANO I AM HERE TO SUPPORT BILL #1695. MY MOTHER ANO I HAS BEEN SERVING THE CARE HOME BUSINESS COMMUNITY IN HAWAII FOR OVER 30 YEARS NOW. WE TAKE CARE OF BOTH THE ELDERLY ANO THE MENTALLY CHALLENGEO PATIENTS. OUR JOB REQUIRES OUR CARE & ATTENTION 24/7 (365 OAYS A YEAR). WE GET PAIO \$43.25 A OAY PER PATIENT –THAT’S LIKE \$1.80 PER HOUR. I UNOERSTANO, OUR MINIMUM WAGE IN HAWAII IS OVER \$7. SO THIS BILL SPEAKS FOR ITSELF. AS YOU ALL KNOW, OUR COST OF LIVING IN HAWAII HAS SOAREO TREMENOOUSLY OVER THE LAST SEVERAL YEARS. MOST OF THE TIME OUR BUOGET IS BARELY MAKING IT UNTIL OUR NEXT PAYOAY ANO IT CAN BE OVERWHELMING TO HAVE TO OEOAL WITH FINANCIAL STRESS ANO AT THE SAME TIME TAKING CARE OF OUR PATIENTS. SOMETIMES, I WONOER WHY I’M OOOING THIS JOB BUT I CAN ASSURE YOU, THERE’S MORE TO IT THAN MONEY.

WE ARE STILL IN THIS BUSINESS TOOAY, BECAUSE IT HAS BECOME MY MOTHERS LIFE! SHE HAS A SPECIAL, THE KINOEST WAY OF CARING FOR THE TYPE OF PATIENTS WE HAVE. OBVIOUSLY, THIS JOB IS NOT JUST ABOUT MONEY. IT TAKES A LOT OF LOVE ANO PATIENCE TO BE ABLE TO DO THIS KINO OF WORK. ANO LOVE IS SOMETHING THAT IS NOT MEASUREO WITH MONEY. I WORK THE BUSINESS WITH HER BECAUSE IT ALLOWS ME TO HAVE FLEXIBILITY. IT IS VERY IMPORTANT TO ME AS I HAVE CHILOREN TO RAISE AT THE SAME TIME, SO IT WORKS FOR US. HOWEVER, WHETHER THIS IS SOMETHING I’O LIKE TO OO OVER THE LONG RUN OR NOT IS SOMETHING I NEEEO TO EVALUATE FROM TIME TO TIME. I’M SURE YOU UNOERSTANT, ANO JUST LIKE ANY OTHER BUSINESS, IT HAS TO BE FEASIBLE FOR US TO CONTINUE—ECONOMICALLY.

SO EVERYTHING IS MORE EXPENSIVE TOOAY, THE INCREASE THAT WE ARE ASKING FOR IN THE BILL IS MUCH NEEEOO IN OUR BUSINESS COMMUNITY; WE LOVE SERVING OUR ELOERS ANO THE MENTALLY CHALLENGEO , BUT WE ALSO NEEEO HELP. ANO LET’S NOT FORGET THE GREAT DEMANO FOR OUR SERVICES IN HAWAII IS MORE CRITICAL NOW MORE THAN EVER. THEREFORE, I HUMBLY ASK THAT YOU GIVE THIS BILL YOUR FULL SUPPORT. THANK YOU VERY MUCH FOR YOUR CONSIDERATION.


2/25/14