

JAN 23 2014

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# A BILL FOR AN ACT

RELATING TO HEALTH CARE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Adult residential care homes are integral to  
2 Hawaii's health care system. These care homes provide twenty-  
3 four-hour living accommodations for a fee to adults who need  
4 minimal assistance in their daily living in a home-like setting  
5 for their personal and health care services.

6           For many adults, adult residential care homes are an option  
7 for individuals who seek placement in a health care setting but  
8 do not quite meet the criteria for nursing home placement and do  
9 not have the means for assisted living. Adult residential care  
10 homes foster and support a high level of independence in adults  
11 who reside in these facilities.

12           The legislature finds that adult residential care homes  
13 continue to fulfill an important need in the community because  
14 of the increased reliance on residential health care services  
15 and facilities for Hawaii's aging population. The state  
16 supplemental payment for adult residential care homes, licensed  
17 developmental disabilities domiciliary homes, community care  
18 foster family homes, and certified adult foster homes was last



1 increased in 2008 by Act 220, Session Laws of Hawaii 2008.  
2 However, the costs of operating adult residential care homes  
3 continue to rise. Many care home residents rely on the state  
4 supplemental payment to cover the costs of residing in these  
5 care homes.

6 The purpose of this Act is to increase the state  
7 supplemental payment for adult residential care homes, licensed  
8 developmental disabilities domiciliary homes, community care  
9 foster family homes, and certified adult foster homes; and to  
10 change the public assistance allowance to equal an unspecified  
11 percentage of the federal poverty level.

12 SECTION 2. Section 346-53, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14 "(a) This subsection does not apply to general assistance  
15 to households without minor dependents. The standard of need  
16 shall equal the federal poverty level [~~established by the~~  
17 ~~federal government in 2006~~], prorated over a twelve-month period  
18 based on family size.

19 The assistance allowance provided shall be based on a  
20 percentage of the standard of need. For other work eligible  
21 households and non-work eligible households and households in  
22 which all caretaker relatives are minors, living independently



1 with minor dependents and attending school, the assistance  
2 allowance shall be set no higher than [~~sixty two and one half~~]  
3 \_\_\_\_\_ per cent and no lower than [~~forty four~~] \_\_\_\_\_  
4 per cent of the standard of need. For all other households, the  
5 assistance allowance shall be set no higher than [~~sixty two and~~  
6 ~~one half~~] \_\_\_\_\_ per cent of the standard of need and set no  
7 lower than [~~thirty four~~] \_\_\_\_\_ per cent of the standard of  
8 need. The standard of need shall be determined by dividing the  
9 [2006] federal poverty level by twelve and rounding down the  
10 quotient. The remaining quotient shall be multiplied by the per  
11 cent as set by the director by rules pursuant to chapter 91, and  
12 the final product shall be rounded down to determine the  
13 assistance allowance; provided that:

- 14 (1) The department may increase or reduce the assistance  
15 allowance as determined in this subsection for work  
16 eligible households for the purpose of providing work  
17 incentives or services under part XI;
- 18 (2) No reduction shall be allowed that jeopardizes  
19 eligibility for or receipt of federal funds;
- 20 (3) Reductions in the assistance allowance shall be  
21 limited to no more than one per year; and



1           (4) No work eligible household, which includes an adult  
2                    who has received sixty cumulative months of temporary  
3                    assistance to needy families with minor dependents,  
4                    shall be eligible for an assistance allowance, unless  
5                    authorized by federal regulations."

6           SECTION 3. Section 3, Act 93, Session Laws of Hawaii 2012,  
7 is amended to read as follows:

8           "SECTION 3. Section 346-53, Hawaii Revised Statutes, is  
9 amended by amending subsections (c) and (d) to read as follows:

10           "(c) The director, pursuant to chapter 91, shall determine  
11 the rate of payment for domiciliary care, including care  
12 provided in licensed developmental disabilities domiciliary  
13 homes, community care foster family homes, and certified adult  
14 foster homes, to be provided to recipients who are eligible for  
15 Federal Supplementary Security Income or public assistance, or  
16 both. The director shall provide for level of care payment as  
17 follows:

18           (1) Beginning on July 1, 2008, for adult residential care  
19 homes classified as facility type I, licensed  
20 developmental disabilities domiciliary homes as  
21 defined under section 321-15.9, community care foster  
22 family homes as defined under section 321-481, and



1 certified adult foster homes as defined under section  
2 321-11.2, the state supplemental payment shall not  
3 exceed \$651.90; [and]

4 (2) Beginning on July 1, 2008, for adult residential care  
5 homes classified as facility type II, the state  
6 supplemental payment shall not exceed \$759.90[-];

7 (3) Beginning on July 1, 2014, for adult residential care  
8 homes classified as facility type I, licensed  
9 developmental disabilities domiciliary homes as  
10 defined under section 321-15.9, community care foster  
11 family homes as defined under section 321-481, and  
12 certified adult foster homes as defined under section  
13 321-11.2, the state supplemental payment shall not  
14 exceed \$ \_\_\_\_\_ ;

15 (4) Beginning on July 1, 2014, for adult residential care  
16 homes classified as facility type II, the state  
17 supplemental payment shall not exceed \$ \_\_\_\_\_ ;

18 (5) Beginning on July 1, 2014, for expanded adult  
19 residential care homes as defined under section 321-  
20 15.1 and classified as facility type I, the state  
21 supplemental payment shall not exceed \$ \_\_\_\_\_ ; and



1       (6) Beginning on July 1, 2014, for expanded adult  
2       residential care homes as defined under section 321-  
3       15.1 and classified as facility type II, the state  
4       supplemental payment shall not exceed \$ \_\_\_\_\_ ;  
5       provided that beginning on July 1, 2014, the maximum state  
6       supplemental payment amounts in paragraphs (3), (4), (5), and  
7       (6), shall be changed in December of each year to include the  
8       percentage, if any, by which the consumer price index for that  
9       calendar year exceeds the consumer price index for the prior  
10      calendar year.

11       If the operator does not provide the quality of care  
12      consistent with the needs of the individual to the satisfaction  
13      of the department, the department may remove the recipient to  
14      another facility.

15       The department shall handle abusive practices under this  
16      section in accordance with chapter 91.

17       Nothing in this subsection shall allow the director to  
18      remove a recipient from an adult residential care home or other  
19      similar institution if the recipient does not desire to be  
20      removed and the operator is agreeable to the recipient  
21      remaining, except where the recipient requires a higher level of



1 care than provided or where the recipient no longer requires any  
2 domiciliary care.

3 (d) On July 1, 2006, and thereafter, as the department  
4 determines a need, the department shall authorize a payment, as  
5 allowed by federal law, for resident clients receiving  
6 supplemental security income in adult residential care home, as  
7 defined under section 321-15.1, type I and type II facilities,  
8 expanded adult residential care home as defined under section  
9 321-15.1, type I and type II facilities, licensed developmental  
10 disabilities domiciliary homes as defined under section 321-  
11 15.9, community care foster family homes as defined under  
12 section 321-481, and certified adult foster homes as defined  
13 under section 321-11.2, when state funds appropriated for the  
14 purpose of providing payments under subsection (c) for a  
15 specific fiscal year are not expended fully within a period that  
16 meets the requirements of the department's maintenance of effort  
17 agreement with the Social Security Administration.

18 The payment shall be made with that portion of state funds  
19 identified in this subsection that has not been expended.

20 The department shall determine the rate of payment to  
21 ensure compliance with its maintenance of effort agreement with  
22 the Social Security Administration." "



# S.B. NO. 2771

1 SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on July 1, 2014.

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INTRODUCED BY: Annanne Crum Oakland  
Will Zygo





# S.B. NO. 2771

**Report Title:**

Adult Residential Care Homes; State Supplemental Income

**Description:**

Amends 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.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

