

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. 1693, H.D.1 - RELATING TO HUMAN SERVICES**

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

PURPOSE: The purpose of H.B. 1693, H.D. 1, is to require the State of Hawaii to pay enhanced interest rates on late payments to an operator of an Adult Day Care Facility, Community Care Foster Family Home, or Adult Residential Care Home.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) respectfully opposes this bill.

The current Medicaid contracts require that health plans pay 90% of claims within 30 days and 99% of claims within 90 days. For the quarter ending September 30, 2013, 95.6% of claims were paid within 30 days and 99.7% were paid within 90 days; for the quarter ending December 31, 2013, 92.8% of claims were paid within 30 days and 99.3% were paid within 90 days.

The current law provides equitable treatment for all vendors contracted with the State regarding late payment. All providers are important, and the DHS opposes preferential treatment for operators of an adult day care facility, community care foster family home, or adult residential care home.

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

finance1

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 24, 2014 1:45 PM
To: FINTestimony
Cc: cariagacora@yahoo.com
Subject: Submitted testimony for HB1693 on Feb 25, 2014 14:00PM

HB1693

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: On behalf of the BIG ISLAND ADULT FOSTER HOME OPERATORS , we are in support of this bill. In fairness to all the hardworking providers who are servicing the 65 years old and above , sick , frail and disabled population in our state. We service these clients in our own homes . And we are helping the state saving millions of dollars comparing to the expensive facilities. Thank you for reading and giving me the opportunity to submit my testimony. Respectfully, Maria Corazon E. Cariaga-BIAFHO , PRESIDENT

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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February 25, 2014

The Honorable Sylvia Luke
The Honorable Scott Y. Nishimoto
The Honorable Aaron Ling Johanson
House of Representatives Committee on Finance

RE: Comments on HB1693, HD1 Relating to Human Services

Dear Representative Luke, Representative Nishimoto, Representative Johanson and Members of the Committee:

For over 60 years, Easter Seals Hawaii has provided exceptional, individualized, family-centered services to empower infants, children, youth and adults with disabilities or special needs to achieve their goals and live independent fulfilling lives. Easter Seals Hawaii is a statewide CARF accredited organization with 15 facilities from Waimea, Kauai to Hilo, Hawaii providing a variety of programs, three of which are focused on adults with disabilities.

Easter Seals Hawaii strongly supports the intent of HB1693, HD1 and offers the following comments:

1. Amend section 2(a), page 2, line 12, insert "or Home and Community Based Services Medicaid Waver provider". To read, "provided that an operator of an adult day care facility, community care foster family home, **adult residential care home or Home and Community Based Services Medicaid Waver provider** shall be entitled to interest from the paying agency on the principal amount remaining unpaid at a rate of for each calendar quarter commencing on the thirtieth day following receipt of the statement or satisfactory delivery of the goods or performance of the serves, whichever is later, and ending on the date of the check."

Non-profit Home and Community Based Services Medicaid Waver providers, which provide services to adults with disabilities both in the home and on a one-to-one basis in the community, also experience financial difficulty when payments are received late. These late payments impact our ability to provide quality services to our participants and also make it difficult to ensure our employees are paid on a timely manner.

Easter Seals Hawaii appreciates the efforts of the Legislature to ensure timely and fair compensation to service providers. We would welcome the opportunity to work collaboratively with all of the interested parties to resolve any issues. Thank you for your time and consideration.

Respectfully,

A handwritten signature in blue ink that reads "Christopher E. Blanchard".

Christopher E. Blanchard
President & CEO
Easter Seals Hawaii



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.

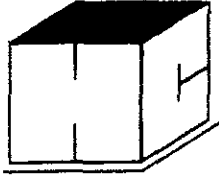
For the past 30 years, UGHO members have operated residential care homes that provide assisted living accommodations in a stress free, small family atmosphere for their residents including the elderly and individuals with disabilities who otherwise would be unable to care for themselves.

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



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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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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