



State of Hawaii
Senate Committee on Ways & Means
The Honorable David Y. Ige, Chair
The Honorable Michelle N. Kidani, Vice Chair
Hawaii State Legislature



Friday, March 28, 2014; 9:35am
Room 211

HB 1713, SD1, Relating to Aging

Dear Chair Ige, Vice Chair Kidani and Members of the Senate Committee on Ways & Means,

We represent three non-profits who provide Kupuna Care Services on Oahu. We **strongly support** the intent of HB 1713, SD1 Relating to Aging to provide critically needed programs and services for our most vulnerable elderly neighbors, including those on Medicaid who are not covered by any comparable services. Although our preference is that ongoing support for Kupuna Care be provided in the base budget, this measure provides essential supplemental funding for services designed to prevent more costly institutionalized care.

While Medicaid does offer some Home and Community Based Care (HCBC) Services to a segment of its senior population, the eligibility threshold is based upon medical need. The Older Americans Act and Kupuna Care are preventative social service models that enable seniors to age with dignity in their own homes, and delay or avoid the more costly institutional care. Thus, eligibility in one program does not equate to eligibility in the other. Additionally, Medicaid does not offer the same array of support services that Kupuna Care offers.

We fully agree that no one should receive duplicative services; but this is not the issue at hand. We believe that the Executive Office on Aging and Medicaid can coordinate services so that we are able to maximize support to our most vulnerable seniors and avoid higher cost institutionalized care.

We urge you to support a seamless system of services for all seniors.

Sincerely,

Jerry Rauckhorst
President & CEO
Catholic Charities Hawaii

Howard S. Garval
President & CEO
Child & Family Service

Marian E. Tsuji
President & CEO
Lanakila Pacific

From: mailinglist@capitol.hawaii.gov
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Subject: Submitted testimony for HB1713 on Mar 28, 2014 09:35AM
Date: Thursday, March 27, 2014 11:58:10 AM



HB1713

Submitted on: 3/27/2014

Testimony for WAM on Mar 28, 2014 09:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Marilyn	Individual	Support	No

Comments: THE SENATE THE TWENTY-SEVENTH LEGISLATURE REGULAR SESSION OF 2014 COMMITTEE ON WAYS AND MEANS Senator David Y. Ige, Chair Senator Michelle N. Kidani, Vice Chair DATE: Friday, March 28, 2014 RE: HB1713, SD 1 Chair Ige and Vice Chair Kidani and members of the committee I am strongly in support of additional funding for Kupuna Care (KC) and for the public awareness education and evaluation efforts. Kupuna Care is a small program with a big heart and a growing responsibility as our older adult population increases and needs additional supportive services. For example, one out of every two persons age 85 and older has dementia and this age group is the fastest growing segment in Hawaii. With the small amount of resources in our program we have tried to do as much as possible for as many as possible. I think we have made a difference for those served. However, we know that thousands more are eligible although not being served. A nagging worry is always how we can continue to do what we do given the increasing demands on programs. Do we consider cutting back on the variety of services we offer? On the eligibility requirements? How shall we manage? That is why it is impossible at this point to properly understand the impact and consequences of expanding KC eligibility to other groups such as Medicaid eligible clients. We have in the past looked for ways to increase coverage for Medicaid clients and to increase reimbursement under Medicare because of the large resources in these programs funded by the federal government thereby using state funds for those without these resources. We look to Medicaid to use its discretion to write specific services such as non medical transportation into individual care plans and to increase eligibility regarding income. We look for local government funding and private sources to cover additional clients and services when there are gaps. If Medicaid clients become eligible for K C a host of questions arises. Do Medicaid clients get preferential treatment for the one or two services not provided by Medicaid while Kupuna Care clients are fortunate to get one or two services? Are there other groups that might also petition for KC services? If a LTC insurance plan does not cover all needed care, is KC to be the fall back to make up the difference. Please know that EOA is an advocate for all seniors and we do not want anyone turned away, but we must work within our resources and use a variety of methods to resolve the issues without a forced eligibility requirement on an already stressed program. We respectfully ask that we be given the opportunity to work this out with all parties

concerned and to truly understand the impact before changing the eligibility. Mahalo for your consideration and for your ongoing support of our programs, Marilyn Seely, Policy Advisory Board for Elder Affairs

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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From: mailinglist@capitol.hawaii.gov
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Cc: deborah.arendale@mauicounty.gov
Subject: Submitted testimony for HB1713 on Mar 28, 2014 09:35AM
Date: Thursday, March 27, 2014 9:20:17 PM

HB1713

Submitted on: 3/27/2014

Testimony for WAM on Mar 28, 2014 09:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Arendale	Maui County Office on Aging	Support	No

Comments: MCOA supports this measure and respectfully requests that the bill be returned to its original form. MCOA agrees with the testimony submitted by the Hawaii Executive Office on Aging. Thank you for the opportunity to testify.

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To: Committee on Ways and Means
Senator David Y. Ige, Chair

Date: March 28, 2014, Conference Room 211, 9:35 a.m.

Re: **HB 1713 SD1 – RELATING TO AGING**
TESTIMONY IN SUPPORT

Chair Ige and Committee Members:

AARP is a membership organization of people 50 and older with nearly 150,000 members in Hawaii. AARP fights on issues that matter to Hawaii families, including the high cost of long-term care; access to affordable, quality health care for all generations; providing the tools needed to save for retirement; and serving as a reliable information source on issues critical to Americans age 50+.

AARP supports HB 1713 SD1 - Relating to Aging. This bill appropriates funds for various programs and services for Hawaii's senior population. AARP especially supports the provisions of the bill as it relates to the appropriation of funds for a long-term care education and awareness campaign; the Kupuna Care Program, and the Aging and Disability Resource Center (ADRC) from the general revenues for the fiscal year 2014-2015.

While we support the appropriations in this measure, we respectfully disagree with the amendment to Part I of this bill that allows Kupuna Care funds appropriated to the Department of Health to be used for long-term care services for individuals who are Medicaid eligible. The purpose of the Kupuna Care program has been to provide home and community based services to the non-Medicaid 60+ population. Kupuna Care has been a "safety-net" program so that seniors do not need to impoverish themselves and become eligible for Medicaid.

The Kupuna Care program should not be turned into a Medicaid program. Not only would it be contrary to the program intent, but it will transfer Medicaid beneficiaries to Kupuna Care resulting in additional costs to the State as it makes Kupuna Care available to approximately 46,000 Medicaid beneficiaries. The services to the existing 5,000 + Kupuna Care beneficiaries could be severely impacted. Furthermore, neighbor island counties have so far not used Kupuna Care (state) funds to pay for HCBS services for Medicaid eligible individuals.

In summary, allowing Medicaid eligible individuals to use Kupuna Care services will decrease services for existing Kupuna Care seniors and increase State costs. We ask that this amendment not be included in the bill.

Long-Term Care Education and Awareness Campaign

AARP strongly supports the appropriation of \$500,000 for a comprehensive education and awareness campaign.

A comprehensive long-term care education and awareness campaign is needed to alert residents to the risks and costs associated with caregiving and long-term care and to encourage them to plan and save for this part of life.

- Many residents are unaware or underestimate the risk of needing long-term care. Approximately 69% of people who turned 65 in 2005 will need long-term care before they die. Individuals needing long-term care will on average need help for 3 years, and spend on average 2 years at home, and 1 year in a nursing or assisted living facility.ⁱ
- Hawaii residents needing long-term care are faced with long-term care costs that are among the highest in the nation and unaffordable for most Hawaii residents. E.g., the annual nursing home cost (private room) is approximately \$145,270, as compared to the national average of \$83,950.
- Though the majority of Hawaii residents (59%) say they are likely to need long-term care in the future and are not confident that they can afford one-year of long-term care,ⁱⁱ few Hawaii residents are planning ahead to meet these needs.
- Solutions to finance long-term care are limited. Medicare is not designed to cover long-term care services. Medicaid pays for long-term care, but only those with limited assets and income.
- Private long-term care insurance does provide substantial coverage for long-term care, but enrollment is limited.

A long-term care education and awareness campaign will complement the anticipated introduction of a public long-term care insurance program in 2015 that helps people with financing so they can live independently longer in their homes.

Kupuna Care - Appropriation

AARP strongly supports the appropriation of \$4.2 million for the Kupuna Care Program for fiscal year 2014-2015. Kupuna Care is a state funded program designed to help non-Medicaid elderly residents so that they can continue living at home instead of institutional facilities. Kupuna Care assists families by providing a variety of different caregiving and respite support services.

The proposed Kupuna Care appropriation is needed due to the increasing demand for services by Hawaii's rapidly aging population. However, it still falls short of meeting the demand. In 2013 the Kupuna Care program served approximately 4,848 people (unduplicated persons served that does not include people receiving transportation services, as reported by EOA). There are approximately 277,000 individuals over age 60 in Hawaii.ⁱⁱⁱ However, by some estimates, 80% of seniors have at least one chronic health condition and 50% have at least two^{iv} who would also be eligible to use these services.

While the Kupuna Care Program serves the non-Medicaid elderly, there is also a need for funds for long-term care services for aging and disabled individuals who are Medicaid eligible, but not able to obtain these services through Medicaid and not eligible for services funded by Kupuna Care or the Older Americans Act. Some Honolulu County service providers wrongfully used Kupuna Care program funds for Medicaid eligible individuals for long-term care services. SB149 SD2 is also necessary as it appropriates funds to the Department of Human Services as a means to support this Medicaid eligible "gap group" and to maintain the integrity of the Kupuna Care program as a safety net program for non-Medicaid recipients.

Aging and Disability Resource Center (ADRC)

AARP strongly supports the additional appropriation of \$428,000 for ADRCs for the counties to continue their ADRC operations and their management information systems. The bill should be amended to reflect an appropriation of \$428,000, rather than \$1.9 million. The legislature has already allocated \$1.4 million for fiscal year 2015.

ADRCs are intended to streamline access to long-term supports and services for older adults, persons with disabilities, and caregivers. The ADRC is a navigational tool that connects individuals to appropriate long-term care options. Hawaii's ADRC program is in various stages of development in each county. ADRCs are operational in Hilo, Maui, and Kauai. The remainder of the Hawaii county and Oahu needs to be implemented.

ADRCs are in need of improvement. AARP's recently published State Long-Term Services and Support Scorecard ranks Hawaii 41st in ability to access long-term care through an ADRC.^v The ADRCs need to be properly resourced and funded to make ADRCs an effective single point of entry for individuals seeking information on their long-term care options. Critical to the success of an ADRC is ensuring the availability of services (e.g., Kupuna Care) when individuals are directed to them. Otherwise, consumers will be increasingly frustrated when referred to services, and only to find out that they are not available.

Thank you for the opportunity to provide testimony.

ⁱ Kemper, Komisar, Alecxih, Long-Term Care an Uncertain Future: What Can Current Retirees Expect, 2005. Inquiry 42(4): 335-350.

ⁱⁱ AARP Hawaii Survey of Hawaii 50+ Residents on Long-Term Care, 2012.

ⁱⁱⁱ U.S. Census Bureau, 2010 Demographic Profile Data

^{iv} Centers for Disease Control, Healthy Aging: Preventing Disease and Improving Quality of Live Among Older Americans 2003, At a Glance, Department of Human Services
^v AARP 2011 State Long-Term Services and Supports Scorecard