



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

In reply, please refer to:
File:

Senate Committee on Ways and Means

HB 2094, HD 1, SD 1, Relating to Home Care Licensing

**Testimony of Linda Rosen, M.D., M.P.H.
Director of Health**

Friday, March 28, 2014

1 **Department's Position:** The Department of Health SUPPORTS this measure, provided that its passage
2 does not replace or adversely impact priorities indicated in our Executive Supplemental Budget.

3 **Fiscal Implications:** Staff and operating costs are estimated at approximately \$150,000 per year based
4 on information that is at least 3 years old. The unknown factor is the actual number of home care
5 agencies to be licensed or their locations throughout the state. More agencies or more agencies located
6 on the neighbor islands could require more staffing or travel costs.

7 **Purpose and Justification:** The department testified to the merits of the original bill in 2009 requiring
8 home care agencies to be licensed. The licensing of home care agencies is consistent with our goals and
9 objectives to safeguard vulnerable populations and ensure the safety of individuals receiving such care
10 or services in their residence and, thereby, allowing individuals to remain in their homes.

11 A permanent, full-time equivalent, civil service position will be needed to implement the
12 licensing program for the 1st year. Thereafter, the department will request funding through the normal
13 budget submission process based on the experience of the 1st year and projected for future years.

14 Thank you for the opportunity to testify in SUPPORT of this bill.



Friday – March 28, 2014 – 9:35am
Conference Room 211

The Senate Committee on Ways and Means

To: Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair

From: George Greene
President & CEO
Healthcare Association of Hawaii

Re: **Testimony in Support**
HB 2094, HD 1, SD1 — Relating to Home Care Licensing

The Healthcare Association of Hawaii (HAH) is a 116-member organization that includes all of the acute care hospitals in Hawaii, the majority of long term care facilities, all the Medicare-certified home health agencies, all hospice programs, as well as other healthcare organizations including durable medical equipment, air and ground ambulance, blood bank and respiratory therapy. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing nearly 20,000 people statewide.

Home care agencies employ workers who assist a growing number of older adults and those with chronic illnesses or disabilities. Home care workers are referred to by a variety of job titles, including certified nursing assistants, care assistants, and home care aides. They make it possible for people with functional limitations to remain at home in a comfortable, familiar environment by providing a wide range of assistance with the activities of daily living. These activities include bathing, dressing, grooming, assisting with ambulation or transferring, toileting, feeding and providing assistance with self-medication. Home care workers also help with the daily living activities, including shopping, meal preparation, making medical appointments, transportation, laundry and housekeeping.

Because many elderly residents live alone and are often faced with declining mental and physical abilities, home care agencies are a critical resource in ensuring that Hawaii's kupuna are kept safe. Charged with such an important duty, the public must be assured that home care agencies are meeting minimum standards when delivering care. At present, at least twenty-eight states and the District of Columbia require licensure for home care agencies.

During the regular session of 2009, the legislature passed SB415 SD2 HD1 CD1, which was enacted as Act 21 in the first special session of 2009. The purpose of Act 21 is to require home care agencies to be licensed, and designates the Department of Health (DOH) as the home care licensing agency. DOH has collaborated with home care agencies, consumer advocates, and other stakeholders to draft

administrative rules needed to implement licensing. These draft rules are in the last stages of the approval process.

Thank you for the opportunity to testify in support of HB 2094, HD 1, SD1.



**Testimony to the Senate Committee on Ways and Means
Friday, March 28, 2014 at 9:35 A.M.
Conference Room 211, State Capitol**

RE: HOUSE BILL 2094 HD1 SD1 RELATING TO HOME CARE LICENSING

Chair Ige, Vice Chair Kidani, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** HB 2094 HD1 SD1, which extends by five years the repeal date of Act 21, Special Session Laws of Hawaii 2009, which requires the department of health to license home care agencies and appropriates funds to establish a full-time equivalent permanent position in the Department of Health to facilitate the licensing of home care agencies.

The Chamber is the largest business organization in Hawaii, representing over 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

During the regular session of 2009, the legislature passed SB415 SD2 HD1 CD1, which was enacted as Act 21 in the first special session of 2009. The purpose of Act 21 is to require home care agencies to be licensed, and designates the Department of Health (DOH) as the home care licensing agency. DOH has collaborated with home care agencies, consumer advocates, and other stakeholders to draft administrative rules needed to implement licensing. These draft rules are in the last stages of the approval process.

DOH intends that licensing fees charged to home care agencies be used to cover the administrative costs associated with licensing. Initial funding, however, in the amount of \$150,000 is needed to provide 1.0 FTE for DOH to staff and commence the licensing program so that the collection of fees may be initiated. DOH has estimated that licensing fees will cover the cost of the licensing program after the first year of its operation. And DOH fully intends to reimburse the general fund for the initial appropriation amount, making this measure budget neutral.

Thank you for the opportunity to testify.