



SB 2005

Measure Title: RELATING TO HOME CARE LICENSING.

Report Title: Home Care Licensing; Appropriation (\$)

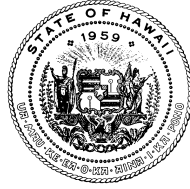
Description: Establishes initial funding to begin the licensing process for home care agencies.

Companion: HB2094

Package: None

Current Referral: HMS/CPN, WAM

Introducer(s): CHUN OAKLAND, IHARA



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

In reply, please refer to:
File:

**Senate Committee on Human Services and
Committee on Commerce and Consumer Protection**

SB 2005, Relating to Home Care Licensing

**Testimony of Gary L. Gill
Acting Director of Health**

Tuesday, February 11, 2014

1 **Department's Position:** The Department of Health supports this measure while recommending a single
2 change.

3 **Fiscal Implications:** Staff and operating costs are estimated at approximately \$150,000 per year. The
4 unknown factor is the actual number or the expected growth in the number of home care agencies to be
5 licensed or their locations throughout the state. More agencies or more agencies located on the neighbor
6 islands could require more staffing or travel costs. The department will also initiate a licensing fee with
7 the hopes that the collected fees will help to offset future operating expenses.

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

12 However, the permanent full-time position should remain a general funded position despite the
13 implementation of licensing fees. Licensing fees will be required from hospitals, long-term care
14 facilities, and other facilities licensed by the department's Office of Health Care Assurance (OHCA).

1 The collected fees are envisioned to be used primarily to develop and support a more automated license
2 application submission process, a tablet- or laptop-based survey application software and computer
3 hardware, and an online licensure fee collection process. Fees would also be used for staff training and
4 to cover unanticipated or unbudgeted operating expenses. Fees were never envisioned to increase
5 staffing by the creation of special-funded positions. However, in accordance with HRS §321-1.4 when
6 the amount of fees collected exceed \$356,000, the excess fees will be deposited into the general fund. In
7 this way fees can be used to recover the cost of the additional position funded through general funds. As
8 a result the department respectfully requests the position remain a general funded, permanent, full-time
9 position.

10 Thank you for the opportunity to testify in support of this bill with an amendment.



Tuesday – February 11, 2014 – 1:15pm
Conference Room 016

The Senate Committee on Human Services

To: Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair

The Senate Committee on Commerce and Consumer Protection

To: Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

From: George Greene
President & CEO
Healthcare Association of Hawaii

Re: Testimony in Support
SB 2005 — 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.

Phone: (808) 521-8961 | Fax: (808) 599-2879 | HAH.org | 707 Richards Street, PH2 - Honolulu, HI 96813

Affiliated with the American Hospital Association, American Health Care Association, National Association for Home Care and Hospice,
American Association for Homecare and Council of State Home Care Associations

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 in support of SB 2005.