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Committee on Finance

SB2346, SD1, HD1, RELATING TO AGING

Testimony of Wes Lum Director, Executive Office on Aging Attached Agency to the Department of Health

___ day, April __, 2014; Conference Room ___

_:__ a.m.

EOA's Position: The Executive Office on Aging (EOA) supports the appropriations in this measure but requests that the bill be restored to its original form. EOA requests this amendment because we prefer to preserve the existing Kupuna Care policy.

Fiscal Implications: This measure appropriates funds for FY15 for the following:

1. The Kupuna Care Program;
2. The Aging and Disability Resource Centers (ADRC);
3. The Healthy Aging Partnership; and
4. A long-term care education and public awareness campaign.

Purpose and Justification: The common goal among the state, counties, and service providers is to establish a coordinated, seamless system of long-term supports and services in home and community based settings where no kupuna falls through the cracks. EOA, MedQUEST (MQD), county offices on aging, and private providers are committed to working together administratively

and programmatically to identify gaps and coordinate services for all kupuna in need throughout the State.

Closing Gaps in Services: There are HCBS gaps between Kupuna Care and Medicaid for an older adult on Medicaid, including:

- Low income kupuna on Medicaid who need HCBS but the type of service is not covered by Medicaid.
- Low income kupuna on Medicaid who do not receive the HCBS due to health plan denial.
- Family caregivers are not provided respite services from Medicaid.

To close these HCBS gaps for Medicaid clients, the State has enacted the following:

1. MQD received CMS waiver effective January 1, 2014 to provide expanded HCBS to individuals “at risk” of institutionalization but do not meet nursing facility level of care.

The “at risk” program has three levels of services (depending on the client’s assessment).

Potentially available services include: home-delivered meals, personal emergency response system, personal care services, adult day care and health, and skilled or private duty nursing services.

2. Effective April 1, 2014, EOA will allow the use of Older Americans Act, Title III funds for Medicaid individuals not receiving comparable Kupuna Care services. EOA is currently working with the Attorney General’s office to modify the existing Title III contracts.

EOA and MQD will continue to work together to conduct a careful study of gaps in Medicaid HCBS, including number of persons affected statewide. We will report back to the 2015 Legislative Session on: (1) magnitude of the problem, i.e., gap services, number’s affected, and (2) recommendations for addressing the problem.

Rationale for Preserving the Intent of Kupuna Care:

The purpose of Kupuna Care is to prevent or delay institutionalization of older adults by providing long-term supports and services in home and community based settings. Since the

establishment of Kupuna Care in 1999, EOA along with the Counties have maintained that these funds be used to serve older adults who do not have access to any other HCBS programs through other funding streams, including Medicaid, veterans programs, and private long-term care insurance. This is based on the premise that very limited Kupuna Care dollars be utilized to provide services to older adults where there is nowhere else to turn.

Kupuna Care prevents or delays older adults who are 60+ and who need HCBS from slipping into the Medicaid rolls, whereas Medicaid is a healthcare program for individuals with low income of all ages. In SFY13, Kupuna Care served approximately 5,000 older adults (60+) with only HCBS at a cost of approximately \$9,000,000. Comparatively, in SFY14, QExA served an estimated 20,000 older adults (60+) with medical care and a range of long-term supports and services in institutional and home and community based settings at a cost of approximately \$365,000,000. If the legislature decides to change the mission and purpose of Kupuna Care, it will eliminate the only state program to help non-Medicaid seniors.

We believe that it is sound fiscal policy to close the gap in services with MQD through the State's Medicaid system which gets a 50/50 federal/state match rather than use 100% state funds through Kupuna Care to serve Medicaid beneficiaries. We also believe that Medicaid beneficiaries who have been served using Kupuna Care funds be transferred to the Medicaid-covered HCBS program, and that other sources of funds be sought for provision of Kupuna Care-like services unavailable to these Medicaid clients.

EOA believes that there will be unintended consequences of expanding Kupuna Care, including:

- There will be a cost shift to the state from the counties since the neighbor island counties have, to date, paid for HCBS for those on Medicaid through county funds.

- Opening the Kupuna Care door to Medicaid beneficiaries calls into question the use of these funds to other HCBS that are denied by other government benefits (such as TriCare or Veteran's benefits) as well as private long-term care insurance policies.
- Currently eligible Kupuna Care seniors will have a lower chance of being served because Kupuna Care's state funds will be drained to serve older adults who have an alternative service program in place.

For these reasons, EOA would like to preserve Kupuna Care funds for older adults 60+ who do not have access to any other HCBS program through other funding streams, and therefore, we would like this bill to be restored to its original form. Thank you for the opportunity to testify.