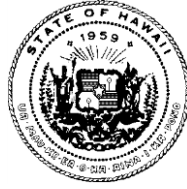


DAVID Y. IGE  
GOVERNOR



PANKAJ BHANOT  
DIRECTOR

BRIDGET HOLTHUS  
DEPUTY DIRECTOR

**STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 6, 2017

TO: The Honorable Josh Green, Chair  
Senate Committee on Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 1217– RELATING TO SOCIAL SERVICES**

Hearing: Monday, February 6, 2017, 3:10 p.m.  
Conference Room 016, State Capitol

**DEPARTMENT’S POSITION:** The Department of Human Services (DHS) appreciates the intent of this bill. However, DHS respectfully opposes the measure, as currently drafted its passage will create a deficit in the State Supplemental Payment (SSP) appropriation. As a result, the Adult Protective and Community Services Branch Operating Funds will have to cover the deficit. If the State Supplemental Payment appropriation amount is increased to satisfy the increase of the Personal Needs Allowance (PNA), it may adversely impact priorities identified in the Governor's Executive Budget.

Additionally, DHS has not yet determined whether the increased amount of PNA would possibly make certain individuals ineligible for certain benefits they currently receive, such as medical insurance coverage or financial assistance. Once the question is resolved, DHS will provide the information to the committee Chair. DHS provides the following comments.

**PURPOSE:** The purpose of this bill is to increase the monthly needs allowance paid under section 436D-4.5 (a), HRS, from \$50 per month to \$75 per month. The SSP comprises of payments for domiciliary care operators and clients as specified in section 346-53 (c), Hawaii Revised Statutes (HRS) and payments to Nursing Facilities and patients as specified in section 346D-4.5 (a), HRS.

The State Fiscal Year (SFY) 2017 SSP budget is \$17,810,955. The Maintenance of Effort (MOE) agreement with Social Security Administration (SSA) requires a minimum expenditure of \$16,785,143.91 in SSP payments to Domiciliary home and clients, and Nursing homes each year as specified in section 416.2096 (a), Code of Federal Regulations (CFR). This leaves a budget balance of approximately, \$1,025,811.09.

In addition, administrative fees and nursing home patient PNA payments totaling \$459,118.72 are also expended, reducing the balance to \$566,692.37.

Increasing the PNA from \$50 to \$75 for approximately 2,548 (SFY 2016 average enrollment) clients in domiciliary homes will increase the annual expenditure to \$764,400.

Also increasing the PNA from \$50 to \$75 for approximately 190 patients in nursing homes adds \$57,000 to the \$764,400, thus the total additional expenditure will be \$821,400 per year, with a grand total of SSP expenditure of \$18,065,662.

The proposed increase will exceed the SSP appropriation by \$254,708, and create a budget deficit.

In comparison, increasing the PNA from \$50 to \$70 for approximately 2,548 clients in domiciliary homes will increase the annual expenditure to \$611,520. Also increasing the PNA from \$50 to \$70 for approximately 190 patients in nursing homes adds \$45,600 to the \$611,520, thus the total additional expenditure will be \$657,120 per year. This additional expenditure will exceed the SSP appropriation by \$90,427.63.

In comparison, increasing the PNA from \$50 to \$65 for approximately 2,548 clients in domiciliary homes will increase the annual expenditure to \$458,640. Also increasing the PNA from \$50 to \$65 for approximately 190 patients in nursing homes adds \$34,200 to the \$458,640, thus the total additional expenditure will be \$492,840 per year. This additional expenditure will result in a budget balance of \$73,852.37. The current appropriation is able to cover an increase from \$50 to \$65.

We are cautious of proposed increases in expenditures of the SSP appropriation that will exceed the appropriation amount as well as any increase in clients and patients will increase expenditures. If proposed measure passes as drafted, the APCSB Operating budget will be negatively affected in providing its array of crisis intervention services.

Also, DHS is currently analyzing whether an increase in the PNA will make certain individuals ineligible to continue to receive certain benefits, such as medical insurance coverage or financial assistance. Once the question is resolved, DHS will provide the information to the committee Chair.

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



**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
919 ALA MOANA BOULEVARD, ROOM 113  
HONOLULU, HAWAII 96814  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543  
February 6, 2017

The Honorable Josh Green, Chair  
Senate Committee on Human Services  
Twenty-Ninth Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Senator Green and Members of the Committee:

**SUBJECT: SB 1217 – Relating to Social Services**

The State Council on Developmental Disabilities **STRONGLY SUPPORTS SB 1217**. The purpose of the bill is to establish a personal needs allowance (PNA) for individuals residing in foster homes, care homes, domiciliary homes, and other long-term care facilities from \$50.00 per month to \$75.00 per month.

The PNA is intended for residents spend at their discretion on clothing, shoes, toiletries, bedding, towels, wash cloths, furniture, transportation (other than medical visits), personal postage costs, snacks, a meal out with friends, movies, recreational activities, hobbies, reading materials, and other incidental expenses of day-to-day living (cable, internet, cards/presents to send to family/friends, sun screen, lotion, etc.). Federal regulations prohibit long-term care facilities from charging residents' PNA for services that are included in Medicaid payments such as toothpaste, toothbrush, tissues, shampoo, and incontinence products.

Act 96, Session Laws of Hawaii 2007 increased the personal needs allowance from \$30.00 to \$50.00 a month. That increase amounted from \$1.00 per day to \$1.66 per day. The passage of SB 1217 would increase the PNA from \$50.00 per month to \$75.00 per month or from \$1.66 per day to \$2.50 per day. The last increase in the PNA was seven years ago and has not kept up with Hawaii's high cost of living. This amount can barely buy a decent cup of coffee.

Thank you for the opportunity to present testimony in **strong support of the passage of SB 1217**.

Sincerely,

Waynette K.Y. Cabral, MSW  
Executive Administrator

Josephine C. Woll  
Chair

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**Sent:** Thursday, February 2, 2017 1:21 PM  
**To:** HMS Testimony  
**Cc:** SAAC96814@gmail.com  
**Subject:** Submitted testimony for SB1217 on Feb 6, 2017 15:10PM

**SB1217**

Submitted on: 2/2/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Self-Advocacy Advisory Council	Individual	Support	Yes

Comments: We are a Council of nearly 200 individuals and we are in STRONG SUPPORT of SB1217. Thank you so very much for hearing this measure.

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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**To:** HMS Testimony  
**Cc:** adamcfeely@gmail.com  
**Subject:** \*Submitted testimony for SB1217 on Feb 6, 2017 15:10PM\*

**SB1217**

Submitted on: 2/2/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
ada mcfely	Individual	Support	Yes

Comments:

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**To:** HMS Testimony  
**Cc:** alicekamaka@gmail.com  
**Subject:** \*Submitted testimony for SB1217 on Feb 6, 2017 15:10PM\*

**SB1217**

Submitted on: 2/2/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alice Kamaka	Individual	Support	Yes

Comments:

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**To:** HMS Testimony  
**Cc:** jeri@arcofkona.org  
**Subject:** Submitted testimony for SB1217 on Feb 6, 2017 15:10PM

**SB1217**

Submitted on: 2/3/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Heidi Hargett	Individual	Support	Yes

Comments: Aloha, my name is Heidi Hargett. I am in strong support of SB 1217 & HB 1514. I can use extra money for bus transportation to and from my work at Safeway, where I have been employed for 8 years. The extra money will be helpful, Thank you, from Heidi

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**SB1217**

Submitted on: 2/3/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Damian Extor	Individual	Support	Yes

Comments: My name is Damian Extor. I am in full support of SB1217 HB 1514. I do not reside in a Dom setting at this time, however one day I may have to be. I have friends in a DOM home. I want them to be able to join me in the community and do whatever they want to do. Thank You, Damian Extor

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**Subject:** Submitted testimony for SB1217 on Feb 6, 2017 15:10PM

**SB1217**

Submitted on: 2/3/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Duke Kawaa	Individual	Support	Yes

Comments: My name is Duke KAAWA, I LIVE IN THE Big Island. I am in support of SB 1217 & HB1514. If I go to a DOM home, I would need the extra allowance to be able to go out and be with my friends. My friends are in a group home and I want to hang out with them more. Thank You Duke

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**SB1217**

Submitted on: 2/3/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shannon Salas	Individual	Support	Yes

Comments: Aloha, I live in a group home in Captain Cook Hawaii. My name is Shannon Salas. I would like to go our with my friends and this extra allowance will help me.  
Thank You, Shannon

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**SB1217**

Submitted on: 2/3/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Goodrich	Individual	Support	Yes

Comments: My name is David Goodrich. I am in strong support of SB 1217 and HB 1514. I live in a Group Home. I would like to use the money for shampoo and toothpaste. Extra money would be used for eating out with friends or going to the movies. Thank you, David

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**SB1217**

Submitted on: 2/3/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lois Phillip	Individual	Support	Yes

Comments: My name is Lois Phillip. I am in support of SB 1217 and HB 1514, because they need the extra help. We can go and buy more food, and have more activities and games to do. Mahalo, Lois

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**SB1217**

Submitted on: 2/3/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jeri Raymond	Individual	Support	Yes

Comments: My name is Joshua Goetz and I am a strong supporter of SB1217 & HB 1514. I live in a DOM house and I would use thee funds to be able to do more activities with the group home. Sincerely Yours, Josh; Developmental Disabilities Representative for West Hawaii.

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Submitted on: 2/3/2017

Testimony for HMS on Feb 6, 2017 15:10PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jeri Raymond	Individual	Support	Yes

Comments: My name is Rickey Rooney. I support SB1217 and HB 1514. I work hard, but with this bill passing, I will have extra money for emergencies and fun activities. Thank You, Mickey

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