

SB2590

Measure Title: RELATING TO AGING.

Report Title: Aging and Disability Resource Centers; Health; Services

Description: Ensures that state and county planning efforts for the delivery of services to the aged or disabled share budgets, data, insights, strategies, goals, and definitions of success and recommendations. Reforms and improves the timely movement of funding and approvals to ensure that there are no delays in the delivery of services.

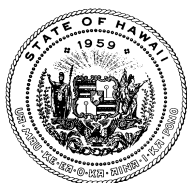
Companion: [HB1915](#)

Package: Kupuna Caucus

Current Referral: CPH/HMS, WAM

Introducer(s): IHARA, HARIMOTO, KIM, TOKUDA, S. Chang, Espero, Gabbard, Green, Kidani, Nishihara, Riviere, Ruderman, L. Thielen

DAVID Y. IGE
GOVERNOR OF HAWAII



TERRI BYERS
DIRECTOR

VIRGINIA PRESSLER, M.D.
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Testimony in OPPOSITION to SB2590
Relating to Aging

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
SENATOR ROSALYN H. BAKER, CHAIR
SENATOR JILL TOKUDA, VICE CHAIR

COMMITTEE ON HUMAN SERVICES
SENATOR JOSH GREEN, CHAIR
SENATOR STANLEY CHANG, VICE CHAIR

Testimony of Terri Byers
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: February 5, 2018 Room Number: 016
3:10 p.m.

- 1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
- 2 of Health, is opposed to this measure.
- 3 **Fiscal Implications:** Unknown. The EOA will be expected to implement amendments to 349-
- 4 32, Hawaii Revised Statutes without additional resources.
- 5 **Purpose and Justification:** SB2590 would amend Hawaii Revised Statutes Section 349-32, to
- 6 mandate new posting requirements on the Executive Office on Aging webpage and institute new
- 7 electronic fund transfer mechanisms. Currently, EOA's website has links to all four county
- 8 ADRC webpages. Newly proposed subsection (d) (2) (A) would require the EOA to post county
- 9 budgets, but the EOA does not have jurisdiction over how each county manages and shares their
- 10 budgets with the public. Subsection (d) (2) (B) would require the EOA to post on its website

1 contact numbers or other contact information of providers of services; however, this information
2 already exists on the ADRC website. Subsection (d) (2) (C) would require minutes, agendas, and
3 plans of the committees on aging of the respective counties and the State be posted on the EOA's
4 website. We agree with the intent, however, an amendment to 349-32, HRS is not necessary.
5 Instead, EOA will amend its contract language with the counties to require posting both the
6 agenda and minutes of their advisory committee meetings and the Area Plans on Aging on their
7 respective websites. Currently, EOA already posts the agendas and minutes of its Policy
8 Advisory Board for Elder Affairs and EOA's State plan on the ADRC website.
9 This measure calls for timely movement of State and federal funds to service delivery
10 organizations with no administrative delays that would negatively impact or delay provision of
11 services to qualified seniors. The EOA always strives to disperse funds to the counties in an
12 expeditious manner. The procurement and funding disbursement process is not always within
13 the control of the EOA or the counties. Once funds are appropriated, they must be released by
14 the Governor prior to a contract being executed. For service providers to obtain the funds, they
15 have to successfully win the bid and be contracted by the respective counties. In addition, the
16 counties and EOA have fiduciary responsibilities to ensure that applicable laws and rules are
17 followed as it relates to procurement of services. Subsection (d) (4) is being proposed to ensure
18 that State and federal funds may be electronically transferred among State agencies, county
19 agencies, and contractors that provide services. EOA verified the process of electronic payments
20 with the Department of Accounting and General Services. We confirmed that EOA has the
21 ability to process electronic payments to the counties but there is an extra step that EOA would
22 need to take with the Department of Accounting and General Services for a payment to be

1 processed. EOA was advised that this extra step will result in payments not getting to counties
2 any quicker than the traditional method. The EOA defers to each county for their comments
3 regarding their process to make electronic payments available to their service providers.
4 **Recommendation:** While the EOA appreciates the intent of SB2590, the EOA opposes this
5 measure and respectfully requests that it be deferred.
6 Thank you for this opportunity to testify on this measure.



CATHOLIC CHARITIES HAWAII

TO: Senator Rosalyn H. Baker, Chair
Senator Jill N. Tokuda, Vice Chair
Committee on Commerce, Consumer Protection, and Health

Senator Josh Green, Chair
Senator Stanley Chang, Vice Chair
Committee on Human Services

FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer

DATE: Monday, February 5, 2018 (3:10 p.m., Room 016)

RE: **SB 2590, Relating to Aging**

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing supportive home and community based services to elders since 1973 and currently serves over 4,000 older persons each year.

Catholic Charities Hawai'i is an aging network service provider, contracted through the City & County Elderly Affairs Division to provide State funded Kupuna Care Transportation Services and Senior Center District II Services (Lanakila Multi-Purpose Senior Center), and Federal funded Transportation Services, Housing Assistance (housing counseling for at risk and homeless elders), and Paraprofessional Services (escort). CCH also has a Grant In Aid for Lanakila through the State Executive Office on Aging.

CCH would like to share some of the types of challenges and barriers that are faced by nonprofits that provide services for elders through government contracts:

- **Delays in contracting** – With the C&C, we have recently experienced bids issued after the start of a fiscal year with less than 20 calendar days to respond and use of an RFB process which seems more aligned to construction contracts.
Additionally, we are also still waiting to receive the executed contract for the State Grant In Aid for Lanakila Multi-Purpose Senior Center, which was approved by the 2017 Legislature and effective July 1, 2017.
- **Gaps between contracts** – Providers of some Title III (Federal funded) services recently experienced a gap in contracts with the C&C – e.g. a FY2017 contract ended in September 2017 and a new contract was not issued until January 2018.
- **Changing rules regarding effective date of services and availability of funds** – Despite having executed contracts and Notices to Proceed, we have been informed by the C&C that we may not bill for services until the date on Delivery Orders, which were issued a month or longer after the Notice to Proceed.



- **Inability to plan** – Previously, providers would know at the start of the fiscal year about the amount of funding available to provide a service. Currently, funding is put into contracts in smaller amounts through Delivery Orders that are issued at random points during a fiscal year.
- **Delays in payment** – Historical delays in payment (as long as six (6) months) appear, at least on paper, to have diminished. However, delays in the issuance of Delivery Orders means that providers sometimes cannot submit invoices for months after the delivery of services. As a result, the time between invoice and payment appears short but the time between service delivery and payment is still lengthy.

CCH supports the recommendation in SB2590 to allow for electronic transfer of funds between state agencies, county agencies, and contractors. We hope that this will help to resolve some of the payment delays.

For more information or questions, please feel free to email Diane Terada, Division Administrator, at diane.terada@catholiccharitieshawaii.org or call her via phone at 527-4702.

Thank you for this opportunity to provide testimony.



Kokua Council

The **Kokua Council** is one of Hawaii's oldest advocacy groups. Kokua Council seeks to empower seniors and other concerned citizens to be effective advocates in shaping the future and well-being of our community, with particular attention to those needing help in advocating for themselves.

Legislative Testimony

Prepared by Jim Shon, President, Kokua Council

Senate Committees on Human Services, & Commerce Consumer Protection and Health

DATE: Monday February 5, 2018
TIME: 3:10 pm
PLACE: Conference Room 16

BILL: SB 2590 RELATING TO AGING

<https://www.capitol.hawaii.gov/session2018/bills/SB2590 .HTM>

Kokua Council supports this bill, which is among the top five priorities for both Kokua Council and the Kupuna Caucus.

For many seniors and their family advocates, transportation is a serious challenge. To be fully engaged in both finding services and policy advocacy, there is one key rule: If it is not on the Internet, and not easily found, it really does not exist.

The hub for the State's senior service system is the Executive Office of Aging, and each county ADRC – Aging Disability Resource Centers. These are not minor agencies, but central to the operation of the entire system.

Kokua Council and others are deeply involved in attempting to monitor and engage with this system to improve services. Personally, I also sit on the City and County Committee on Aging. The Committee's members, minutes and agendas are either not posted or difficult to find.

Findings. While there are many state and county plans and strategies, these are not easily found or shared. Budgets are a key to implementation, and how the EOA or an ADRC chooses to use its funds relates to priorities, and effectiveness. All four counties are beginning the process of revising their Aging Plans. We need data. We need to see what is going on throughout the state. We can't even see the various positions that have or have not been filled at COA.

The law identifies COA as responsible for the operation of the whole system. This means guidelines, policies, and information.

This bill suggests that all stakeholders need more transparency and information.

In addition, meetings with nonprofit service delivery systems and ADRCs indicate that there is a persistent delay in timely payments. One agency on Oahu has had to take out a \$750,000 loan, with interest, to pay its bills and staff while awaiting reimbursements from the City and County of Honolulu. Some invoices not yet honored date back to September 2016. Another large organization has had to arrange a long standing line of credit of at least \$1 million to cope with these delays.

One aspect of this is that payments are NOT made electronically. EOA sends checks via snail mail. City and County, the same. This is at a time in which any employee can request direct deposit of their wages. If we can directly deposit employee checks, why can we not directly deposit payments to the organizations that are, in essence, part of the state and county service delivery systems?

Regardless of how much funding is available, Kokua Council suggests that it is time to pay attention to the unnecessary challenges we place on service delivery organizations.

Among the elements of the system that deserve attention are:

1. The delay by State B&F in releasing funds to EOA.
2. The red tape required for EOA to cut a check and send it snail mail.
3. The timing gap between Federal funds and state funds, and the lack of any kind of revolving fund to bridge this gap until the federal funds arrive.
4. Insistence on auditing each and every invoice.
5. Lack of providing a guaranteed base budget for the service delivery systems.
6. The negative impact on workforce recruitment and retention when young workers at nonprofits do not know if they can be paid during the first quarter of the year.

In summary, our system could be described as indifferent, disrespectful and unprofessional with respect to our service delivery organizations. We would NEVER treat our state agency employees the same way...maybe you will get paid...maybe you won't.

Thank you for your serious consideration of this testimony.



LANAKILA PACIFIC

Building Independence for Challenged Lives

PRESIDENT & CEO
Marian E. Tsuji

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State of Hawaii Senate

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Committee on Human Services
Senator Josh Green, Chair
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SB 2590, Relating to Aging
Monday, February 5, 2018, 3:10 PM
Conference Room 016

From: Marian Tsuji, President & CEO

Re: **Support for SB 2590**

Lanakila Pacific has served Hawaii's communities for more than 78 years, creating independence for challenged lives. As a Kupuna Care service provider, Lanakila Meals on Wheels serves more than 2,500 Hawaii kupuna a year.

We are in support of this bill in that it attempts to improve services to the aging. The bill addresses the need for:

- inclusive planning;
- the sharing of data and best practices;
- ensuring the timely movement of funding, including the use of electronic payment;
- dissemination of current information via the state's web site with links to the counties.

While these activities may sound like obvious operational practices, this is far from the system we have.

As some of you may know, we most recently had challenges maintaining services this past federal fiscal year (October 1).

It was the end of a contract year, and new contracts and delivery orders were not in place. (The contracts set the unit price, the delivery order dictates the quantity. Both are required in order to deliver services).

The delivery orders provide us with incremental funding (three months at a time); thus, it is difficult to plan. It is hard to staff; it is hard to make large investment decisions such as equipment upgrades; and it's hard to make decisions about bringing seniors onto the program when they may have to be taken off within a few months' time.

Timely payments have been another issue. Seven-month delays in payment are not uncommon. We are often told that we haven't submitted the correct paperwork; we are asked to make changes to the data submitted. Since the changes are requested after the fact, it creates an additional burden to collect information that was not previously requested.

We all know that Hawaii's growing senior population will only require more from the network of service providers who care for our kupuna. We need to fix it now. This bill is the first step toward that fix.

If we can provide you with additional information, please contact our Meals on Wheels Director, Lori Lau, at llau@lanakilapacific.org.

Thank you for your consideration.

SB-2590

Submitted on: 2/4/2018 11:00:29 AM

Testimony for CPH on 2/5/2018 3:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez		Support	No

Comments: