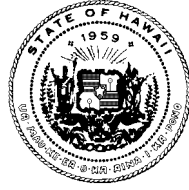


DAVID Y. IGE  
GOVERNOR



PANKAJ BHANOT  
DIRECTOR

CATHY BETTS  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 5, 2020

TO: The Honorable Senator Russell E. Ruderman, Chair  
Senate Committee on Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2615 HD1 – RELATING TO SOCIAL SERVICES**

Hearing: March 6, 2020, 2:45 p.m.  
Conference Room 016, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this bill to increase to the Personal Needs Allowance (PNA) and offers comments. DHS appreciates the amendments of the House Committee on Human Services & Homelessness.

**PURPOSE:** This bill amends the monthly needs allowance for individuals residing in foster homes, care homes, domiciliary homes, and other long-term care facilities. Amends the state supplemental payment ceiling for domiciliary care paid to recipients who are eligible for federal supplementary security income or public assistance, or both. Takes effect on 12/31/2059. (HD1)

The State's Optional Supplemental Payment (SSP) appropriation is used for domiciliary care payments, as specified in section 346-53(c), Hawaii Revised Statutes (HRS), for PNA for individuals residing in settings specified in section 346D-4.5(a), HRS, and for SSP administrative fees paid to the Social Security Administration (SSA) to add the SSP amounts to individual's monthly Supplemental Security Income (SSI) check.

An increase in the amount of PNA would benefit recipients as it would allow recipients to pay for more personal items such as clothing, hairstyling services, beauty and grooming products, reading material, small gifts, family outings, and other incidentals. If the proposed

change went from a monthly PNA increase from \$50 to \$85 for approximately 2,293 individuals in domiciliary homes, the annual SSP expenditures would increase by \$963,060.00. If monthly PNA increased from \$50 to \$85 for a total of 183 individuals in nursing facilities, annual expenditures would increase by \$76,860.00. These increases would be within the current SSP budget amount of \$17,810,955.

An increase would support the State's Maintenance of Effort (MOE) agreement with the Social Security Administration (SSA) that requires an annual minimum expenditure of \$16,785,143.91 in SSP payments, as specified in Title 20, Code of Federal Regulation, section 416.2096(a). In 2019, to further expend the balance of the budgeted amount to remain compliant with the MOE, the Adult Protective & Community Services Branch (APCSB) made a one-time retroactive SSP payment to eligible residents in care settings specified in 346-53(d), HRS.

The Medicaid program did further analysis of this proposed change and concluded that no additional appropriation would be needed for Medicaid. At this time, Med-QUEST does not anticipate that additional individuals would become eligible for Medicaid. There are beneficiaries living in domiciliary homes and Community Care Foster Family homes that are currently eligible for Medicaid through the "medically needy" eligibility category. They contribute some of their income to cover the cost of their care when they have income above Medicaid income eligibility standards. The PNA increase would reduce this contribution marginally for some individuals, which would mean that Med-QUEST would expend some additional dollars on their medical care. However, the loss of the beneficiaries' contribution would be negligible and there would be no need for an additional appropriation.

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



**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

March 6, 2020

The Honorable Senator Russell Ruderman, Chair  
Senate Committee on Human Services  
Thirtieth Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Senator Ruderman and Members of the Committees:

SUBJECT: HB 2615 HD1 – Relating to Social Services

The State Council on Developmental Disabilities **STRONGLY SUPPORTS** **HB 2615 HD1**. The purpose of the bill is to increase the monthly needs allowance for individuals residing in foster homes, care homes, domiciliary homes, and other long-term care facilities.

The needs allowance is intended for residents to 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' needs allowance for services that are included in Medicaid payments such as toothpaste, toothbrush, tissues, shampoo, and incontinence products.

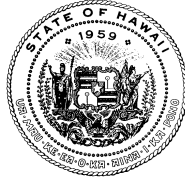
Act 96, Session Laws of Hawaii 2007 increased the personal needs allowance from \$30.00 to \$50.00 a month. That increase amounted from \$1.00 per day to \$1.66 per day. The passage of HB 2615 would increase the needs allowance from \$50.00 per month to, we hope at least \$75.00 per month, or from \$1.66 per day to \$2.50 per day.

Thank you for the opportunity to present testimony in **strong support of HB 2615 HD1**.

Sincerely,

Daintry Bartoldus  
Executive Administrator

DAVID Y. IGE  
GOVERNOR OF HAWAII



CAROLINE CADIRAO  
DIRECTOR

BRUCE ANDERSON  
DIRECTOR OF HEALTH

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**Testimony COMMENTING on HB 2615 HD1  
Relating to Social Services**

COMMITTEE ON HUMAN SERVICES  
SENATOR RUSSELL E. RUDERMAN, CHAIR  
SENATOR KARL RHOADS, VICE CHAIR

Testimony of Caroline Cadirao  
Director, Executive Office on Aging  
Attached Agency to the Department of Health

Hearing Date: March 6, 2020  
2:45 PM

Room Number: 016

- 1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
- 2 of Health, provides comments on HB 2615 HD1, Relating to Social Services.
- 3 **Fiscal Implications:** This bill is proposing an unspecified increase in the monthly needs
- 4 allowance for individuals residing in foster home, care homes, domiciliary home and other long-
- 5 term care facilities. The current allowance is \$50 which was set in 2007.
- 6 **Purpose and Justification:** The Needs Allowance is used by residents in nursing homes,
- 7 community care homes, adult foster homes, domiciliary care homes to spend at his/her discretion
- 8 on items such as snacks, sending cards to friends/family, reading materials, hobbies, haircuts,
- 9 clothes, footwear and recreational activities. This is important because it enables the resident to
- 10 maintain a minimum level of independence and decision-making.

- 1 **Recommendation:** It has been 13 years since the personal needs allowance was last raised. EOA
- 2 believes that raising the allowance is warranted to keep up with inflation and allows our kupuna
- 3 who reside in long-term care facilities some independence and control.
- 4 Thank you for the opportunity to testify.

**HB-2615-HD-1**

Submitted on: 3/4/2020 4:08:26 PM

Testimony for HMS on 3/6/2020 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Louis Erteschik	Testifying for Hawaii Disability Rights Center	Support	No

Comments:

**HB-2615-HD-1**

Submitted on: 3/3/2020 4:41:04 PM

Testimony for HMS on 3/6/2020 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Andrea Quinn	Individual	Support	No

Comments:

**HB-2615-HD-1**

Submitted on: 3/4/2020 10:06:26 PM

Testimony for HMS on 3/6/2020 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ethan Miyamoto	Individual	Support	Yes

Comments:

The high cost of living here in Hawaii is well known. Taking care of an adult is expensive and taking care of an adult with a disability must be extraordinary more expensive. There has not been an increase since 2008 and every little bit of money would help. An increase would hopefully lead to better care for those who are in these homes. Thank you.



**HB-2615-HD-1**

Submitted on: 3/5/2020 3:30:42 PM

Testimony for HMS on 3/6/2020 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cynthia Bartlett	Individual	Support	Yes

Comments:

**HB-2615-HD-1**

Submitted on: 3/5/2020 4:23:59 PM

Testimony for HMS on 3/6/2020 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodee Haole	Individual	Support	Yes

Comments:

I support the increase, I have an autistic young adult who is 27 years old we struggle monthly paying for his medication, therapies that is not covered by medical, all his vitamins and money for him to go out into the community. His social security checks pay for only half of his necessities, I feel payments. should increase even for young adults that still live with their parents too.