



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
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**Testimony in OPPOSITION to H.B. 0582 HD2  
RELATING TO HEALTH**

REPRESENTATIVE SYLVIA LUKE, CHAIR  
HOUSE COMMITTEE ON FINANCE

Hearing Date: Thursday, February 21, 2019      Room Number: 308

1    **Fiscal Implications:** None.

2    **Department Testimony:** House Draft 2 (HD2) includes a variety of issues mostly related to  
3    non-institutional residential care homes. It clarifies current statutory language, establishes  
4    licensing fees in statute, and creates a task force at the Department of Health to determine  
5    minimum compensation for caregivers and address issues on interest on late payments. Allow us  
6    to address each item.

7            The Department SUPPORTS the clarifying language of online posting of inspection  
8    reports.

9            HD2 establishes facility licensing fees in statute. However, licensing fees are currently  
10    allowed pursuant to Section 321-11.5 HRS and may be collected and deposited in the OHCA  
11    Special Fund pursuant to Section 321-1.4 HRS. The Department established Chapter 103  
12    Hawaii Administrative Rules (HAR). These rules were effective on March 17, 2018, and the  
13    Department is now in the process of implementing a computer-based invoicing system in order  
14    to invoice and collect fees and as part of a broader management information system (MIS) for  
15    the Office of Health Care Assurance (OHCA), which is the State program responsible for

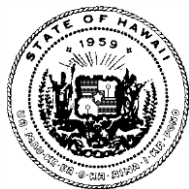
1 licensing and certifying health care facilities. This system will "go live" February 2019. As a  
2 result, establishing licensing fees in statute is unnecessary and the Department OPPOSES this  
3 proposal.

4 HD2 requires the Department to convene a task force to determine minimum  
5 compensation rates for caregivers based on number of beds available at the home and to address  
6 issues of payment of late fees for insurance reimbursement. The Department will convene this  
7 task force and work with stakeholders to submit a report to the 2020 legislature. However, the  
8 Department respectfully requests that the OHCA not be required to be a member on this task  
9 force as the amount of caregiver compensation is not a licensure or certification function and the  
10 Department will be represented by three (3) others: a general representative and representatives  
11 from the Developmental Disabilities Division (DDD) and the Developmental Disabilities  
12 Council.

13 Thank you for the opportunity to provide testimony on this measure.

14 **Offered Amendments:** None.

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

February 18, 2019

TO: The Honorable Representative Sylvia Luke, Chair  
House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 582 HD 2 – RELATING TO HEALTH**

Hearing: Thursday, February 21, 2019 11:00 a.m.  
Conference Room 308, Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) offers comments on Section 9 of the bill and suggests amendments. We defer to the Department of Health (DOH) regarding the licensing, reporting, and fee collection sections of the bill.

**PURPOSE:** The purpose of this bill is to create and establish various policies to adequately address the various issues concerning the elderly and disabled and the community healthcare industry while ensuring consumer protection for Hawaii's elderly and disabled.

DHS will comment on the caregiver and case manager compensation task force in Part V, Section 9.

The bill establishes a task force under DOH that shall develop recommendations to the legislature to:

- 1) Develop a minimum compensation rate for caregivers;
- 2) Address issues of compensation based on number of beds available at each facility; and

- 3) Address issues of payment of late fees and the applicability of section 431:13-108, Hawaii Revised Statutes, regarding time frames for insurance reimbursement.

While DHS welcomes the opportunity to work collaboratively with stakeholders on the taskforce, the first objective of setting minimum compensation rates for caregivers is not in DHS or DOH purview. Currently, DHS and DOH do not set caregiver compensation rates as caregivers are hired and paid by home care agencies, or paid in accordance with the plan designed by the Medicaid beneficiary if the beneficiary is directing their own care.

Under our current financing model, direct compensation of caregivers is downstream of DHS and DOH, and involves different entities like health plans and home care agencies. Thus, the first described objective of the taskforce is not within the purview of the state agencies represented on the taskforce. We would suggest deleting or modifying the first objective as it is not achievable.

DHS Med-QUEST Division (MQD) currently contracts with health plans that contract and pay for HCBS in the QUEST Integration (QI) program, which encompasses the caregivers and case managers described in this bill. Also, as the State's Medicaid agency, MQD oversees the Medicaid services provided by Developmental Disability Division (DDD) of DOH. In this role, the rates paid by DDD are under the purview of DHS as the State's Medicaid agency. For this reason, and given the broad scope of the task force's responsibilities, DHS suggests amending Section 9(a) to include at least one representative from one of the QI health plans to serve on the task force. A QI health plan representative would bring expertise and insight into the issues covered by the task force.

Thank you for the opportunity to testify on this bill.



# Case Management Professionals, Inc.

TO: COMMITTEE ON FINANCE

Chair: Representative Sylvia Luke  
Vice Chair: Representative Ty J. K. Cullen  
Members of the Committee

FROM: Leonard Greene  
Resource Manager  
Case Management Professionals Inc  
94-235 Hanawai Circle, Suite 1 B, Waipahu, HI 96797  
Tel: (808) 689-1937 X125  
Fax: (808) 686-9709  
Email: [leonard@cmp-hi.com](mailto:leonard@cmp-hi.com)

Date: February 21, 2019

Re: HB 582

TESTIMONY: SUPPORT

My name is Leonard Greene. I have worked with two case management agencies in varying capacities for the past 12 years. These agencies served long term elderly and disabled clients on the islands of Oahu, Kauai, Big Island, Maui and Molokai.

**As Resource Manager of Case Management Professionals, I support House Bill 582**

I have seen first-hand the value of the service that is provided to our elderly and disabled by the community care settings and case management agencies. As we move towards the projected "Silver Tsunami" all stake holders must work together and ensure vigilance of the care industry. This bill is a step toward ensuring the clients we serve are protected by standards of quality care through proper licensure, regulation and oversight.

Thank you for the opportunity to provide testimony in support of HB 582.

**HB-582-HD-2**

Submitted on: 2/20/2019 5:00:48 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lemelyn Maluyo-Mabuti	Community Home Care Association of Hawaii	Support	Yes

Comments:

**HB-582-HD-2**

Submitted on: 2/18/2019 6:34:22 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
MARJORIE RACPAN	ARCA	Support	No

Comments:

**HB-582-HD-2**

Submitted on: 2/18/2019 10:17:26 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
norma tenorio	ARCA	Support	No

Comments:

I strongly support this bill as a whole.



**HB-582-HD-2**

Submitted on: 2/19/2019 4:35:43 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Maria E. Cariaga	Big Island Adult Foster Home Operator	Support	No

Comments:

On behalf of our association, I am in support of the HB582. Thank you for giving me the opportunity to submit my testimony.

**HB-582-HD-2**

Submitted on: 2/19/2019 7:32:27 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ruth Raza	Big Island Adult Residential Carehome	Support	No

Comments:

On behalf of Big Island Adult Residential Carehome, I strongly support HB582 HD2.

**HB-582-HD-2**

Submitted on: 2/19/2019 8:36:47 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Estela Ellazar	Big Island Adult Residential Care Home Operators	Support	No

Comments:

I am in support to this HB 582 Bill. I agree with the recommendation of amending some rules and regulations of relating to this HB 582 Bill. I'm hoping for an increase of payment.

**HB-582-HD-2**

Submitted on: 2/20/2019 10:55:01 AM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rosemarie S. Sebastian	United Group of Home Operators	Support	No

Comments:

United Group of Home Operators consists of 50 members--all TYPE I ARCH; each home has about 4 to 5 patients. Majority of our patients are the mentally challenged individuals; we are paid through SSI/MedQuest at \$1,342/month for room and board. We are UNFAIRLY NOT being paid for any burden of care cost.

Our COMMENTS:

Re Item No. 5 - Establishing fees related to annual relicensing for TYPE I ARCH: As we are compensated minimally, we feel that \$200 relicensing fee is too much. It's not feasible for us to pay mentioned amount. In good faith, we counter-offer to pay \$50 per year.

Re: Item No. 7 - Establishing Caregiver's Compensation Task Force to develop compensation rates and to address other compensation issues: The current compensation for TYPE I ARCH is so minimal that it barely cover the ever increasing costs of groceries, taxes, utilities, etc.. Talking about increase of all TYPE I ARCH compensation is long overdue. We would appreciate if you could re-evaluate a fair compensation for us that would include some burden of care cost. We feel that \$2,200 per patient per month would be appropriate at this time.

Re: Item No. 1 - Authorizing DOH to conduct unannounced visits for annual inspection for relicensing is too stringent. While we accept change, we humbly ask this committee to give us leniency. Why? TYPE I ARCH is a house setting; we work--caring for others around our families, around jobs (some of TYPE I ARCH Caregivers have regular jobs as we also need our medical insurance) but be assured while at work, we have substitutes at home--caring for our patients). Our patients have doctors appointments, we also have our personal errands and appointments. So it's important that we know when DOH come to visit so that the Caregiver will be home when DOH come for annual inspection. We would suggest, in good faith, that DOH continue to give us Notice that informs Caregivers what Month and Week that they will do visit for Annual Inspection for relicensing.

OUR ORGANIZATION IS RECEPTIVE TO CHANGE BUT IT HAS TO BE A "WIN WIN" FOR ALL INVOLVED AS IT BENEFITS THE LESS FORTUNATE: THE MENTALLY

CHALLENGED AND OUR KUPUNAS. IN ADDITION, TYPE I ARCH IS A HOME SETTING; THE RULES IMPOSED UPON US SHOULD NOT BE THE SAME AS NURSING FACILITIES AND/OR HOSPITALS. THANK YOU!

**HB-582-HD-2**

Submitted on: 2/20/2019 10:54:23 AM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

# ADULT FOSTER HOMECARE ASSOCIATION OF HAWAII

P.O. Box 970092, Waipahu, Hawai'i 96797

February 21, 2019

Maribel Tan  
President

**Testimony in Support of HB 582** – FIN - Feb. 21, 2019, 11:00 a.m., Rm. 308

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Adult Foster Homecare Association of Hawaii (AFHA) **supports HB 582**, the caregivers omnibus bill. This bill contains provisions that protect the welfare of our clients, the elderly and disabled, while providing much needed relief for caregivers who have not seen any increase in reimbursement for over 10 years.

We provide 24/7 care 365 days a year for a flat-rate, which calculates to less than \$3.50 per hour – no overtime, no benefits – just \$3.50/hr for 24/7 care. We are willing to agree on raising the standards of care if we can get an increase in reimbursements – it's just so difficult financially, especially with the cost of housing and living in Hawaii is one of the highest in the nation, while our reimbursement rates are nowhere near comparable states.

The skyrocketing costs of providing care to the elderly and disabled make it nearly impossible to operate. Caregivers must pay their mortgage for their homes, most of which is used by the residents. Caregivers must also pay for electricity, water, and sewer costs that residents use; for property taxes, general excise taxes, and income taxes; for food, and kitchen, bathroom, and laundry supplies consumed by residents; for their cars and gasoline used to bring their residents to the doctor; for the insurance they are required to carry; for any entertainment they are expected to provide their residents. How do you stretch \$3.50 for all of these costs and still make a living?

Notwithstanding the lack of financial incentives, caregivers tirelessly provide personalized virtual one-on-one hands-on care to their residents. On a daily basis, caregivers cook for their residents menus that are mandated by the State; they clean the house so that they can meet stringent standards of cleanliness; they bathe their residents; they help residents use the bathroom; they dress their residents; they take their residents to medical appointments; they ensure that residents take their medicine; they do the laundry soiled by their residents; and after all this, they entertain their residents and help their residents preserve their dignity giving them the feeling that they still belong in the community. All this for \$3.50 per hour.

Very truly yours,

Maribel Tan  
President

## About AFHA

The Adult Foster Home Association of Hawaii (AFHA) is the industry trade association of providers under the Community Care Foster Family Home program under the Department of Human Services, State of Hawaii. With a membership of almost 750 providers, AFHA's mission is to promote the interests of providers as well as resident clients. AFHA members provide 24-hour care to resident clients 7 days a week, 365 days a year.

**HB-582-HD-2**

Submitted on: 2/20/2019 10:30:02 AM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
MARFE RETUNDO	CCFFH	Support	No

Comments:



**HB-582-HD-2**

Submitted on: 2/20/2019 10:34:38 AM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
WENDY ANCHES	Individual	Support	No

Comments:

**HB-582-HD-2**

Submitted on: 2/19/2019 5:17:45 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benita Riingen	Individual	Support	No

Comments:

**HB-582-HD-2**

Submitted on: 2/19/2019 4:27:19 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Maria Corazon E. Cariaga	Individual	Support	No

Comments:

**HB-582-HD-2**

Submitted on: 2/20/2019 2:30:18 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Relly Cabuyadao	Individual	Support	Yes

Comments:

**LATE**

**HB-582-HD-2**

Submitted on: 2/20/2019 7:41:59 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chasity Subia	Individual	Support	No

Comments:

I am in full support of having this bill being pushed through. These care givers need this HB 582 Bill to be pushed through because they are very hard working and caring towards our elders in need. What they do is not easy, so they really need the raise for all the hard work that they have done and for what they are doing.

**LATE**

**HB-582-HD-2**

Submitted on: 2/20/2019 9:00:57 PM

Testimony for FIN on 2/21/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lilia P. Fajotina	Individual	Support	Yes

Comments:

STRONGLY SUPPORT

TO: Chair of Committee on Finance Representative Sylvia Luke  
Vice Chair Ty Cullen and Members of the Committee

**LATE**

DATE: February 21, 2019, Thursday

TIME: 11:00 AM

PLACE: Conference Room 308

TESTIFIER: Wannette Gaylord

BILL: HB 582 HD2

POSITION: IN STRONG SUPPORT

Aloha Chair Luke, Vice Chair Cullen and Committee Members,

My name is Wannette Gaylord and I strongly support HB 582 HD2.

I would like to request a friendly amendment to **REMOVE** ON page thirteen, Part VI, Section 10 (5)-  
The portion ---"and any other facility licensed or certified under the department." Adult  
Residential Care Homes and Expanded ARCH's are regulated by the Department of Health under  
HAR Chapter 11-100.1. These administrative rules consist of four pages of requirements for  
caregivers that we must abide by, and we do.

This multifaceted bill will be beneficial for all of our frail kupuna. Anyone caring for an elderly  
person should have training and if not blood related "must" have State oversight to prevent both  
abuse and neglect.

With our elderly population growing at a rapid pace it is necessary to maintain the quality of care  
for our Kupuna by retaining the Department of Health's oversight of care facilities for our frail  
kupuna. Placement of our loved ones into licensed care facilities (if unable to return home with  
family) will ensure this.

Thank you for your understanding of my major support of HB 582 HD2 with the Friendly  
Amendment to **REMOVE** Part VI, Section 10 (5)- The portion ---"and any other facility licensed or  
certified under the department."

**LATE**

TO: COMMITTEE ON HEALTH AND HUMAN SERVICES

Chairs: Representative Mizuno  
Representative San

Vice Chair: Representative Bert Kobayashi  
Representative Nakamura

Members of the Committees

FROM: Marylo Farinas  
Owner/Primary Care Provider  
CMC Kafamilya Adult Foster Home  
91-1057 Ae'Ae Street  
Ewa Beach Hawaii 96706  
Tel: (808) 687-3656  
Cell: (808) 228-6858  
Email: [marylofarinas@gmail.com](mailto:marylofarinas@gmail.com)

DATE: February 20, 2019

RE: HB 582

**TESTIMONY: STRONGLY SUPPORT WITH THE AMENDMENTS**

Aloha,

My name is Marylo Farinas, I have been an Adult Foster Home Operator for over 10 years now and within that period of time I've gone through many challenges being a caregiver. I've also learned and convinced that, with the work we provide for our elderly I truly believed that we are NOT being compensated fair. Since I opened up my foster home year 2007 it has NOT gone up a single cent yet we are asked to pay fees such as Medicaid provider's registration fee. In addition to fees, we also pay for fingerprint, CPR/First Aid, In Service and most of all we pay for our own Health insurance. Please note, we are only getting compensated \$41.06 per day (\$1.71 hourly) for a level 2 client.

Section 9 - I disagree with the relicensing charges for the community care foster family homes, our pay which is mentioned above is too little to pay any charges. Community-based foster care industry provides a valuable service to the care of the elderly in the State of Hawaii, it also saves the state millions of dollars as an alternative to institutional nursing care which cost at least 3x more. I have NOT seen any raise since the year I opened my foster home facility since year 2007. Hawaii being considered on the top list of the highest cost of living, yet the program has not fairly compensated the professional service that we provide to support the adult foster care industry. Instead, the licensing, compliance and other additional credentialing requirements has quadrupled thus



increased our work load. We are unable to sustain professional registered nurses who are the core of this program not only for the low pay but also the huge increase in work load. Whereas our land lords, health insurance, utility companies and other services are able to increase their charges every year, our rates have not increased but instead have decreased contractually with the HMOs. Assessing re-licensing fees without any raise for years seems really unfair.

Section 11 - I support this section allowing a fair and appropriate raise for caregiver's services to compensate for the increase in responsibility, accountability and liability and to afford the high cost of living and rising cost of doing business in Hawaii. A raise will allow us viability in the industry and allow us to provide quality care.

Thank you for the opportunity to testify.

**LATE**

Testimony in OPPOSITION to H.B. 0582 HD2  
RELATING TO HEALTH.

REPRESENTATIVE SYLVIA LUKE, CHAIR  
HOUSE COMMITTEE ON FINANCE

Hearing Date: Thursday, February 21, 2019 11:00 AM - Room Number: 308

I am Miguel Rivera of the Hawaii Caregivers Industry Institute, We are in partial opposition to the bill and do not believe much of it is necessary or desired.

HB 582 HD 2 regulates non-institutional residential care homes. It clarifies current statutory language, addresses an online forum, attempts to establish licensing fees in statute, and creates a task force at the Department of Health to determine minimum compensation for caregivers and address issues on interest on late payments.

- (1) We are in support of this part requiring either the University of Hawaii or a neutral third party to maintain a forum for vacancies at any state-licensed care facility; so the public can find a place for their family member in need.
- (2) We are in totally in opposition of establishing fees in unspecified amounts for licensure, relicensure, certification, and recertification of adult residential care homes, expanded adult residential care homes, developmental disabilities domiciliary homes, community care foster family homes, adult day care centers, adult foster homes for developmentally disabled individuals, and other homes;  
Fees should not be adjusted across the board without a thorough study and analysis and should be reasonable and affordable.
- (3) We are in opposition to establishing a Caregiver and Case Manager Compensation Task Force to develop minimum compensation rates for caregivers and address other compensation issues;  
In many cases, the compensations are already set by the state or federal government.
- (4) We are in support of giving the departments the latitude of conducting unannounced or announced visits for the inspection for relicensing of adult residential care homes, expanded adult residential care homes, and adult day care centers; and

We are in strong support of giving the DOH and DHS the latitude to manage their own affairs and inspections without micro managing them. The legislature's role is to set board policy and the Departments can and do promulgate their own administrative rules appropriately according to its needs.

The review and retention of Care home operator is very similar to the yearly review of your permanent staff like your office manager. There is much merit in having announced yearly reviews because it is very important for the principal home operator to be home so there can be productive dialog on problems and explanations exchanged by both sides instead of a substitute who would not know the operations in details. The DOH inspector can speak directly to the principal home operator and point out the shortcoming and at the same time explain to the proper procedure or methodology of doing things.

The principal operator needs to be present at inspection to receive the criticism from the department inspector AND have the opportunity to explain to the inspector what is being done and why its is correct and in compliance.

The department's responsibility to train and develop the care homes as their community partner the same as employers have the duty to train and supervise their staff like the legislature does at the beginning of session every year.

For the department to do an unannounced annual review, does not make any sense since the principal home operator may not be there at inspection to take part in the review inspection. That is like a legislator doing an unannounced annual performance and retention review on their office manager, and if s/he is not present, conducting the performance review with who ever happens to be in the office at the time, a part-time or temporary employee or intern.

By giving the departments the latitude to conduct their own inspections as they see appropriate, (announced or unannounced) proper and practical to do unannounced annual review inspections, instead of requiring ONLY announced will result in better and more fruitful annual inspections and increased dialog and learning on both sides.

With the latitude given to the department, the department has by administrative rule worked out a compromise that is semi-unannounced and seems to be working for everyone. If the Legislature that is a broad policy making body begins to micro manage the departments and do not give them the respect and the latitude to formulate their on inspections rules, then it becomes a disaster for everyone.