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# SENATE CONCURRENT RESOLUTION

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REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO STUDY THE  
FEASIBILITY OF INCREASING THE MEDICAID REIMBURSEMENT RATES  
FOR COMMUNITY CARE FOSTER FAMILY HOMES, EXPANDED ADULT  
RESIDENTIAL CARE HOMES, AND OTHER TYPES OF HOME AND  
COMMUNITY BASED SERVICE CARE PROVIDERS AND SERVICES.

1 WHEREAS, the State has a limited number of beds in nursing  
2 homes for patients requiring the level of care provided by  
3 nursing homes; and  
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5 WHEREAS, the Community Care Foster Family Home (CCFFH)  
6 program and Expanded Adult Residential Care Home (E-ARCH)  
7 program provide additional options for patients requiring  
8 nursing home-level care throughout the State; and  
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10 WHEREAS, caregivers in CCFFHs and E-ARCHs effectively  
11 provide the proper care needed for nursing home-level patients,  
12 including assistance with activities of daily living,  
13 specialized care such as the use of feeding tubes and catheters;  
14 and the provision of basic wound care, maintenance exercise  
15 programs, cognitive stimulation, dietary management, and other  
16 custodial care as needed; and  
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18 WHEREAS, receiving care at CCFFHs and E-ARCHs can reduce  
19 the length of hospital stays; provide emotional, financial, and  
20 physical relief to families caring for an ill senior or other  
21 family member in their own home; and reduce the risk of  
22 homelessness, morbidity, and mortality in patients requiring  
23 nursing home-level care; and  
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25 WHEREAS, the Adult Residential Care Home (ARCH) program was  
26 introduced in Hawaii in or around the 1950s to provide assisted  
27 living type care; it was expanded in 1994 to provide nursing  
28 home-level care as the E-ARCH program under the Department of



1 Health, serving approximately fourteen hundred patients with the  
2 potential for an even greater capacity; and  
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4 WHEREAS, the pilot CCFFH program was started in 1979 by The  
5 Queen's Medical Center; it started receiving Medicaid funding  
6 under a federal Medicaid waiver in 1984, initially under the  
7 direction of the Department of Human Services, and currently  
8 under the Department of Health, which serves approximately three  
9 thousand patients with the potential for an even greater  
10 capacity; and  
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12 WHEREAS, the 1984 CCFFH federal Medicaid waiver was  
13 approved based on its success as a high-quality alternative to  
14 nursing home placement for Medicaid patients that cost two-  
15 thirds or less than placement in a nursing home; and  
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17 WHEREAS, the level of CCFFH reimbursement has not kept pace  
18 with that two-thirds target ratio; and in 2020, the  
19 reimbursement rate to CCFFH providers was approximately one-  
20 sixth of that for nursing home placements; and  
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22 WHEREAS, caregivers who accept Medicaid patients into their  
23 CCFFH receive \$47.06 per day plus the patient's Social Security  
24 Assistance (SSA) for a maximum of \$2,500 per month for room,  
25 board, and patient care, while a nursing home receives \$280.00  
26 per day, plus SSA for the same patient for a maximum of \$10,100  
27 per month (with HMSA insurance, Kaiser health plan, and UHA  
28 insurance at slightly higher rates); and  
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30 WHEREAS, studies by the American Association of Retired  
31 Persons show that Hawaii needs to improve efforts to provide  
32 lower cost long-term care services available in the community  
33 under Hawaii's MedQuest Medicaid program rather than the more  
34 expensive care in nursing homes; and  
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36 WHEREAS, CCFFH and E-ARCH operators are often dually  
37 employed in nursing homes, hospitals, assisted living  
38 facilities, and other health care facilities around the State to  
39 supplement their income and maintain their own health benefits,  
40 which creates greater risk for the spread of infectious disease;  
41 and  
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1 WHEREAS, many CCFFH caregivers decline to accept Medicaid  
2 patients and instead save empty beds for private-pay patients to  
3 optimize their income, thus reducing the number of beds  
4 available for Medicaid patients; now, therefore,

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6 BE IT RESOLVED by the Senate of the Thirty-first  
7 Legislature of the State of Hawaii, Regular Session of 2022, the  
8 House of Representatives concurring, that the Department of  
9 Human Services is requested to:

- 10  
11 (1) Review the existing payment model for Medicaid  
12 reimbursement for patients who require nursing home-  
13 level of care in the community;  
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15 (2) Study the feasibility of increasing the Medicaid  
16 reimbursement rates for CCFFH, E-ARCH, and other types  
17 of Home and Community Based Service (HCBS) care  
18 providers and services; and  
19  
20 (3) Determine the overall effect of increasing the  
21 Medicaid reimbursement rates for CCFFH, E-ARCH, and  
22 other types of HCBS care providers and services; and  
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24 BE IT FURTHER RESOLVED that the Department of Human  
25 Services is requested to submit a report of its findings and  
26 recommendations to the Legislature no later than thirty days  
27 prior to the convening of the Regular Session of 2023; and  
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29 BE IT FURTHER RESOLVED that certified copies of this  
30 Concurrent Resolution be transmitted to the Director of Human  
31 Services, President of Adult Foster Home care Association of  
32 Hawaii, and President of Alliance of Residential Care  
33 Administrators.

