
SENATE RESOLUTION

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

4
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

9
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

17
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

24
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
29 Health, serving approximately fourteen hundred patients with the
30 potential for an even greater capacity; and



1 WHEREAS, the pilot CCFFH program was started in 1979 by The
2 Queen's Medical Center; it started receiving Medicaid funding
3 under a federal Medicaid waiver in 1984, initially under the
4 direction of the Department of Human Services, and currently
5 under the Department of Health, which serves approximately three
6 thousand patients with the potential for an even greater
7 capacity; and

8
9 WHEREAS, the 1984 CCFFH federal Medicaid waiver was
10 approved based on its success as a high-quality alternative to
11 nursing home placement for Medicaid patients that cost two-
12 thirds or less than placement in a nursing home; and

13
14 WHEREAS, the level of CCFFH reimbursement has not kept pace
15 with that two-thirds target ratio; and in 2020, the
16 reimbursement rate to CCFFH providers was approximately one-
17 sixth of that for nursing home placements; and

18
19 WHEREAS, caregivers who accept Medicaid patients into their
20 CCFFH receive \$47.06 per day plus the patient's Social Security
21 Assistance (SSA) for a maximum of \$2,500 per month for room,
22 board, and patient care, while a nursing home receives \$280.00
23 per day, plus SSA for the same patient for a maximum of \$10,100
24 per month (with HMSA insurance, Kaiser health plan, and UHA
25 insurance at slightly higher rates); and

26
27 WHEREAS, studies by the American Association of Retired
28 Persons show that Hawaii needs to improve efforts to provide
29 lower cost long-term care services available in the community
30 under Hawaii's MedQuest Medicaid program rather than the more
31 expensive care in nursing homes; and

32
33 WHEREAS, CCFFH and E-ARCH operators are often dually
34 employed in nursing homes, hospitals, assisted living
35 facilities, and other health care facilities around the State to
36 supplement their income and maintain their own health benefits,
37 which creates greater risk for the spread of infectious disease;
38 and

39
40 WHEREAS, many CCFFH caregivers decline to accept Medicaid
41 patients and instead save empty beds for private-pay patients to



1 optimize their income, thus reducing the number of beds
2 available for Medicaid patients; now, therefore,

3
4 BE IT RESOLVED by the Senate of the Thirty-first
5 Legislature of the State of Hawaii, Regular Session of 2022,
6 that the Department of Human Services is requested to:

- 7
8 (1) Review the existing payment model for Medicaid
9 reimbursement for patients who require nursing home-
10 level of care in the community;
11
12 (2) Study the feasibility of increasing the Medicaid
13 reimbursement rates for CCFFH, E-ARCH, and other types
14 of Home and Community Based Service (HCBS) care
15 providers and services; and
16
17 (3) Determine the overall effect of increasing the
18 Medicaid reimbursement rates for CCFFH, E-ARCH, and
19 other types of HCBS care providers and services; and
20

21 BE IT FURTHER RESOLVED that the Department of Human
22 Services is requested to submit a report of its findings and
23 recommendations to the Legislature no later than thirty days
24 prior to the convening of the Regular Session of 2023; and
25

26 BE IT FURTHER RESOLVED that certified copies of this
27 Resolution be transmitted to the Director of Human Services,
28 President of Adult Foster Homecare Association of Hawaii, and
29 President of Alliance of Residential Care Administrators.

