

DAVID Y. IGE  
GOVERNOR



CATHY BETTS  
DIRECTOR

JOSEPH CAMPOS II  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 13, 2022

TO: The Honorable Representative Linda Ichiyama, Chair  
House Committee on Pandemic & Disaster Preparedness

FROM: Cathy Betts, Director

SUBJECT: **SB 3236 SD2– RELATING TO MEDICAID PATIENT CARE.**

HEARING: Tuesday, March 15, 2022, 10:00 a.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this measure and offers comments. The Department respectfully requests that any appropriation not replace or reduce funding priorities identified in the executive budget.

**PURPOSE:** The purpose of this measure is to appropriate an unspecified amount of funds to provide for a one-time enhanced payment equal to 15% of Medicaid patient payments of fiscal year 2022-2023 to each nursing facility, community care foster family homes, and expanded adult residential care homes that are caring for Medicaid patients, to assist with pandemic-related costs and lost revenues. Effective 7/1/2050. (SD2)

The SD1 amended the measure by:

- (1) Clarifying that the one-time enhanced payment being made pursuant to this measure is an amount equal to fifteen percent of the Medicaid patient payments of fiscal year 2022-2023;
- (2) Adding community care foster family homes and expanded adult residential care homes as recipients of the one-time enhanced payment being made pursuant to this measure; and
- (3) Replacing the appropriation amount with an unspecified amount.

The SD2 defected the effective date.

The Department acknowledges the impacts that the ongoing pandemic has had on Hawaii's nursing facilities, community care family foster homes, and expanded adult residential care homes and supports the intent of this measure. DHS has been in collaborative discussions with the Healthcare Association of Hawaii, which is the proponent of this measure, regarding possible amendments to the bill. Should this measure move forward, the Med-QUEST Division can provide estimates for the fifteen percent one-time enhanced payments that could be made maximizing federal matching funds.

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

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON PANDEMIC & DISASTER PREPAREDNESS  
ON  
SENATE BILL NO. 3236, S.D. 2

**March 15, 2022**  
**10:00 a.m.**  
**Room 309 and Videoconference**

RELATING TO MEDICAID PATIENT CARE

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 3236, S.D. 2, appropriates an unspecified amount of general funds to the Department of Human Services (DHS) in FY 23, with a requirement for DHS to maximize available federal matching funds, to provide one-time enhanced payments equal to 15% of the FY 23 Medicaid patient payments to nursing facilities, community care foster family homes, and expanded adult residential care homes caring for Medicaid patients.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

**SB-3236-SD-2**

Submitted on: 3/11/2022 2:49:34 PM

Testimony for PDP on 3/15/2022 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Elena Cabatu	East Hawaii Region of Hawaii Health Systems Corporation	Support	Written Testimony Only

Comments:

The East Hawaii Region of Hawaii Health Systems Corporation, consisting of nursing homes of Hilo Medcial Center's Extended Care Facility, Yukio Okutsu State Veterans Home, Hale Ho`ola Hamakua in Honoka`a, and Ka`u Hospital, is in **strong support of SB 3236 SD2** that appropriates an unspecified amount of funds to provide for a one-time enhanced payment equal to 15% of Medicaid patient payments of fiscal year 2022-2023 to each nursing facility, community care foster family homes, and expanded adult residential care homes that are caring for Medicaid patients, to assist with pandemic-related costs and lost revenues. We understand that there are many priorities for funding this year that are important to our community. Protecting our most vulnerable residents in nursing facilities that have weathered two extremely difficult years, we hope, will be one of the top priorities for any additional funds that might be available. This one-time enhanced payment will be extremely important as nursing facilities rebuild and engage in workforce development programs to provide good-paying, stable careers for Hawaii residents. We urge your support of this measure and appropriation.



**March 15, 2022 at 10:00 a.m.**

**Via Videoconference**

**House Committee on Pandemic & Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

From: Lisa Anne Gruebner  
VP, Planning & Development  
Ohana Pacific Management Company, Inc. dba Ohana Pacific Health

Date: March 11, 2022

Re: **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

Ohana Pacific Health manages and owns several skilled nursing facilities that care for Medicaid patients in the State of Hawaii. The total number of skilled nursing beds managed by Ohana Pacific Health is 953.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



March 15, 2022 at 10:00 a.m.  
Via Videoconference

**House Committee on Pandemic & Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

From: Andrew Lore  
Administrator  
The Villas

Date: March 11, 2022

Re: **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

The Villas is a 119-bed skilled nursing facility that cares for Medicaid patients.

The Villas is consistently struggling with staffing and is unable to admit new patients to full capacity due to severe workforce shortages. For some time now, and especially now with the emergence of the delta and omicron variants, retaining and recruiting qualified staff to care for the patients in our facility has been extremely difficult. In addition, staffing has been reduced due to positive COVID tests and possible exposure protocols. These challenges have resulted in severe financial losses for our facility.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



**March 15, 2022 at 10:00 a.m.**

**Via Videoconference**

**House Committee on Pandemic & Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

From: Bronson Ho  
Administrator  
Garden Isle Rehab & Nursing

Date: March 11, 2022

Re: **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

Garden Isle Rehab & Nursing is a 109-bed skilled nursing facility that cares for Medicaid patients.

Garden Isle Rehab & Nursing is consistently struggling with staffing and is unable to admit new patients to full capacity due to severe workforce shortages. For some time now, and especially now with the emergence of the delta and omicron variants, retaining and recruiting qualified staff to care for the patients in our facility has been extremely difficult. In addition, staffing has been reduced due to positive COVID tests and possible exposure protocols. These challenges have resulted in severe financial losses for our facility.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.





**March 15, 2022 at 10:00 a.m.**

**Via Videoconference**

**House Committee on Pandemic & Disaster Preparedness**

**To:** Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

**From:** Justin Morrison  
Administrator  
Legacy Hilo Rehab & Nursing

**Date:** March 11, 2022

**Re:** **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

Legacy Hilo Rehab & Nursing is a 100-bed skilled nursing facility that cares for Medicaid patients.

Legacy Hilo Rehab & Nursing is consistently struggling with staffing and is unable to admit new patients to full capacity due to severe workforce shortages. For some time now, and especially now with the emergence of the delta and omicron variants, retaining and recruiting qualified staff to care for the patients in our facility has been extremely difficult. In addition, staffing has been reduced due to positive COVID tests and possible exposure protocols. These challenges have resulted in severe financial losses for our facility.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



## HALE MAKUA HEALTH SERVICES

COMPASSION COMMITMENT COMMUNITY

**March 15, 2022 at 10:00 a.m.**

**Via Videoconference**

### **House Committee on Pandemic & Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

From: Nicolai Hooppaw  
Administrator, Hale Makua Health Services - Wailuku

Date: March 11, 2022

Re: **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

Hale Makua Health Services is a skilled nursing facility that cares for Medicaid patients. Our Wailuku facility has 90 beds.

Hale Makua Health Services is consistently struggling with staffing and is unable to admit new patients to full capacity due to severe workforce shortages. For some time now, and especially now with the emergence of the delta and omicron variants, retaining and recruiting qualified staff to care for the patients in our facility has been extremely difficult. In addition, staffing has been reduced due to positive COVID tests and possible exposure protocols. These challenges have resulted in severe financial losses for our facility.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



**Testimony in Strong Support  
SB 3236 SD 2, Relating to Medicaid Patient Care**

House Committee on Pandemic and Disaster Preparedness  
March 15, 2022 at 10:00 am  
Via Videoconference

From: Amy Lee  
Chief Executive Officer/Administrator  
Aloha Nursing Rehab Centre

I am writing today in **strong support** of this measure, which would provide critical relief for nursing facilities in the state. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the state have fared through the pandemic relatively well with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 3% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

To supplement the staffing shortages, Aloha Nursing had no choice but to rely on high cost agency staffing from the mainland, paying as much as \$100/hour for Licensed Practical Nurses (LPN). Just in the past four months alone, Aloha has spent approximately **\$560,000.00** on agency cost. In January, the company has also increased Certified Nursing Assistants (CNAs) hourly rate by 21% in hopes to attract and retain staff. This will not be sustainable if we do not receive increases to our daily Medicaid Rate.

The nursing home industry for far too long have been ignored and disrespected for the work we do and the dedication we have in caring for our Kupuna. We cannot continue to be subjected to any more regulations and mandates without any financial support. We will go out of

business if something is not done immediately to help offset the high cost of providing care during this unprecedented time.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical and needs to be the State of Hawaii's highest priority. We urge your support of this measure and thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Lee". The signature is stylized and cursive.

Amy Lee,  
CEO/Administrator

**Testimony in Strong Support**  
**SB 3236 SD 2, Relating to Medicaid Patient Care**

House Committee on Pandemic and Disaster Preparedness  
March 15, 2022, at 10:00 am  
Via Videoconference

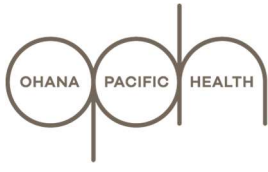
From: Gary Y.G. Wong, MBA, RRT  
Director of Respiratory Services  
Islands Skilled Nursing and Rehabilitation

I am writing today in **strong support** of this measure, which would provide critical relief for nursing facilities in the state. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the state have fared through the pandemic relatively well with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for 3 percent of our operating expenses for the pandemic period. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

*Islands Skilled Nursing and Rehabilitation is the only subacute care facility in Hawaii that has a specialize program to wean medically complexed ventilator and tracheostomy patients from the ventilator. The majority of these patients are Medicaid beneficiaries. We depend on a fair reimbursement rate and any reduction of funding will affect how many of these patients we can serve in our facility.*

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



March 15, 2022 at 10:00 a.m.  
via Videoconference

**House Committee on Pandemic and Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn Eli

From: Wesley Lo  
*Chief Executive Officer*  
Ohana Pacific Health, Hale Makua Health Services

**Re: Strong Support – SB 3236 SD 2, Relating to Medicaid Patient Care**

Ohana Pacific Health (OPH) / Hale Makua Health Services (HMHS) is the largest provider of post-acute care services in the State of Hawai’i and also, the largest provider of Medicaid nursing facility services. Our organization employs almost 1,500 healthcare workers and manages approximately 950 nursing home beds that provide short-term rehab and long-term care, adult day health services and home health care.

We are in STRONG SUPPORT of SB 3236 SD2 which would provide a one-time, limited payment enhancement to nursing facilities that care for Medicaid patients.

With the rapidly aging population upon us, the provision of nursing home services for Medicaid recipients is critical. Currently, approximately 60% of all nursing home days are Medicaid. In addition, a large portion of the acute care hospitals documented “wait-list” population are covered by Medicaid.

However, Medicaid has always been reimbursed substantially lower than Medicare and commercial insurance. Medicare reimbursements typically range from \$600-\$700 per day, while Medicaid reimbursements typically reimburse at \$250-\$350 per day. It is common for many nursing homes to operate with breakeven, or negative margins on all Medicaid patients they service.

With the recent staffing shortages related to the pandemic, wages have started skyrocketing, and nursing homes are now faced with decisions to limit or eliminate Medicaid admissions, to ensure financial survival. The consequence to the health care delivery system will be that more and more patients will have to remain in the hospital which is the highest costing level of care.



KĀLELE



LUANA LIVING



THE VILLAS



Ann Pearl



Garden Isle



Hale Kupuna



Hale Makua



Hale O Meleana



Legacy Hilo



Pu'uwai O Makaha



This ultimately will end up costing the healthcare delivery system substantially more, and more importantly cause the demise of our fragile delivery system, as we will see inadequate hospital beds available for the Hawaii population.

We understand that this is an added cost to the budget, however, in the long run this will save millions of dollars for the healthcare delivery system, and ensure that we can continue to provide the best healthcare for our communities and residents.

Thank you for your consideration,

Wesley Lo  
Chief Executive Officer  
Ohana Pacific Health / Hale Makua Health Services



KĀLELE



LUANA LIVING



THE VILLAS



Ann Pearl



Garden Isle



Hale Kupuna



Hale Makua



Hale O Meleana



Legacy Hilo



Pu'uwai O Makaha



**March 15, 2022 at 10:00 a.m.**

**Via Videoconference**

**House Committee on Pandemic & Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

From: Kurt Akamine  
Administrator  
Hale Kupuna Heritage Home

Date: March 11, 2022

Re: **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

Hale Kupuna Heritage Home is an 84-bed skilled nursing facility that cares for Medicaid patients.

Hale Kupuna Heritage Home is consistently struggling with staffing and is unable to admit new patients to full capacity due to severe workforce shortages. For some time now, and especially now with the emergence of the delta and omicron variants, retaining and recruiting qualified staff to care for the patients in our facility has been extremely difficult. In addition, staffing has been reduced due to positive COVID tests and possible exposure protocols. These challenges have resulted in severe financial losses for our facility.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



Tuesday, March 15, 2022 at 10:00 AM  
Via Video Conference

**House Committee on Pandemic & Disaster Preparedness**

To: Representative Linda Ichiyama, Chair  
Representative Stacelynn Eli, Vice Chair

From: Michael Robinson  
Vice President, Government Relations & Community Affairs

Re: **SB 3236, SD2 – Testimony In Support  
Relating to Medicaid Patient Care**

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My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

I am writing in SUPPORT of SB 3236, SD2 which appropriates money to provide one-time enhanced payments of 15% to each nursing facility caring for Medicaid patients to assist with pandemic related costs and lost revenues.

The COVID-19 pandemic created significant staffing and financial strains for Hawaii's long-term care facilities. Nursing facilities in the State continue to face increased costs, reduced revenues, staff shortages, and other challenges, making it difficult to maintain a high quality of care. Nursing facilities in the State experienced additional costs and revenue losses as a result of the pandemic, totaling \$50,000,000 in 2020 alone. Lower occupancy rates led to almost \$21,000,000 in decreased revenues, while nursing facilities additionally spent an estimated \$27,000,000 on COVID-19 testing, personal protective equipment, temporary staff to administer vaccinations and boosters, supplies, and other pandemic-related expenses. Although nursing facilities received some federal assistance, including approximately \$20,600,000 in provider relief fund payments, these moneys only cover approximately thirty per cent of the facilities' total pandemic-related losses. Additionally, very little other federal funding was made available to cover the costs of COVID-19 testing, personal protective equipment, temporary staff for testing and vaccination, and other expenses. There are no plans or expectations that any additional federal funds will be made available in the future.

The funding will also be valuable in addressing and improving waitlist issues experienced by hospitals. Currently hospitals experience delays in transferring patients to nursing

facilities, although the patients have been treated and are well enough to transition to a nursing facility. Waitlisting is undesirable because it represents an inappropriate quality of care for the patient, and creates a serious financial drain on hospitals. Waitlisted patients also unnecessarily occupy hospital beds that could otherwise be used by those who need acute care. The one-time enhanced payments to nursing facilities will be invaluable in helping the facilities stabilize and attract qualified workers, and improve outcomes in their ongoing effort to provide health care for our vulnerable population which in turn alleviates the waitlist issues.

Thank you for the opportunity to testify.



March 15, 2022 at 10:00 a.m.  
Via Videoconference

**House Committee on Pandemic & Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

From: Mary Beth Santoro  
Administrator  
Pu'uwai 'O Makaha

Date: March 11, 2022

Re: **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

Pu'uwai 'O Makaha is a 93-bed skilled nursing facility that cares for Medicaid patients.

Pu'uwai 'O Makaha is consistently struggling with staffing and is unable to admit new patients to full capacity due to severe workforce shortages. For some time now, and especially now with the emergence of the delta and omicron variants, retaining and recruiting qualified staff to care for the patients in our facility has been extremely difficult. In addition, staffing has been reduced due to positive COVID tests and possible exposure protocols. These challenges have resulted in severe financial losses for our facility.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



March 14, 2022

**Testimony in Strong Support  
SB 3236 SD 2, Relating to Medicaid Patient Care**

House Committee on Pandemic and Disaster Preparedness  
March 15, 2022 at 10:00 am  
Via Videoconference

I am writing today in **strong support** of this measure, which would provide critical relief for nursing facilities in the state. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the state have fared through the pandemic relatively well with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for 3 percent of our operating expenses for the pandemic period. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

An example of increased cost to our facility: During the past two years of COVID-19 pandemic, Kalakaua Gardens had only (2) residents in our skilled nursing facility test positive in January 2022. Throughout the pandemic, whenever a staff member [9 total until the Omicron variant] tested positive, our facility tested all the staff and residents in their work area, three times per incident. The cost of PCR tests are \$130/per test. Each test period [series of 3 tests] cost our facility a minimum of \$45,000. This was repeated multiple times during the past 2 years.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.

Sincerely,

*Colleen Kojima*

Colleen Kojima

Administrator/Executive Director

**Testimony in Strong Support  
SB 3236 SD 2, Relating to Medicaid Patient Care**

House Committee on Pandemic and Disaster Preparedness  
March 15, 2022 at 10:00 am  
Via Videoconference

From: Doug Tonokawa  
Senior Controller  
Aloha Nursing Rehab Centre

I am writing today in **strong support** of this measure, which would provide critical relief for nursing facilities in the state. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the state have fared through the pandemic relatively well with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for 3 percent of our operating expenses for the pandemic period. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

**Due to the shortage of nursing staff, we were forced to contract with staffing agencies, paying in excess of two times the rate we pay our regular staff. For your information, to demonstrate the severity of the staffing shortage and the dedication of our staff, we had office staff who took on extra duties, such as helping to distribute meals to residents during meal times.**

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



**Testimony in Strong Support  
SB 3236 SD 2, Relating to Medicaid Patient Care**

House Committee on Pandemic and Disaster Preparedness  
March 15, 2022 at 10:00 am  
Via Videoconference

From: Suanne Morikuni  
Chief Financial Officer  
Ohana Pacific Health

Ohana Pacific Health manages and owns several nursing facilities that care for Medicaid patients across the major islands in the State of Hawaii.

I am writing today in **strong support** of this measure, which would provide critical relief for nursing facilities in the state. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the state have fared through the pandemic relatively well with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for 3 percent of our operating expenses for the pandemic period. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

The pandemic has compounded the financial distress of nursing homes with rising operating costs of staffing/supplies and lower admissions due to staffing issues. Although the nursing facilities received some federal assistance, these funds only cover a portion of their losses.

Medicaid reimburses providers less than half the amount that Medicare and other insurance commercial payors. At best, many nursing homes operate at a break even and normally experience negative margins servicing Medicaid patients. The healthcare delivery system in Hawaii is already fragile and the nursing homes are now faced with the tough decision to limit or eliminate Medicaid admissions to survive financially.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.

**Testimony in Strong Support  
SB 3236 SD 2, Relating to Medicaid Patient Care**

House Committee on Pandemic and Disaster Preparedness  
March 15, 2022 at 10:00 am  
Via Videoconference

From: **Rebecca Canon-Fratis**  
**Administrator**  
**Ann Pearl Nursing Facility**

I am writing today in **strong support** of this measure, which would provide critical relief for nursing facilities in the state. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the state have fared through the pandemic relatively well with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for 3 percent of our operating expenses for the pandemic period. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

**Here at Ann Pearl Nursing Facility, we have been faced with significant staffing challenges which have led to the closing of one of our units. This, has then, affected our ability to off load the acute care hospitals who are in need of skilled nursing, long term care, and rehabilitation beds. Our nursing homes are in dire need of more funding if we are now expected to meet further regulatory demands and ongoing COVID-19 challenges.**

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



**March 15, 2022 at 10:00 am**  
**Via Videoconference**

**House Committee on Pandemic and Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K.M. Eli

From: Hilton Raethel  
President and CEO  
Healthcare Association of Hawaii

Re: **Strong Support**  
**SB 3236 SD 2, Relating to Medicaid Patient Care**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

We write in **strong support** of this measure which would provide a one-time, limited payment enhancement to nursing facilities that care for Medicaid patients. This funding would only be available to eligible long-term care facilities that accept and care for Medicaid residents, and would benefit those facilities with a higher proportion of Medicaid residents. Further, while this proposed enhanced payment would be extremely helpful for these facilities, it would not cover the entirety of the losses for nursing facilities during the pandemic.

During the pandemic, most states instituted an enhanced payment for nursing facilities to account for the significant increased costs of labor, PPE, supplies, and testing, among other things. Further, nursing facilities experienced decreased occupancy, driven largely by lack of staffing, which affected their revenues and further exacerbated the financial difficulties of nursing facilities in the state. Unfortunately, federal funding did not provide substantial support—in fact, the amount of federal provider relief funds that came in amounted to just under three percent of operating expenses for nursing facilities. Even if this enhanced payment is provided, losses for nursing facilities would amount to nearly \$9 million over the period of the pandemic.

Nationwide, nursing facilities have lost 15% of their entire workforce and there has been no recovery—instead, we've seen a persistent shortage of qualified staff at the national level. Therefore, in order to recruit and retain staff—along with providing enhanced pay during outbreaks and staffing shortages—nursing homes in Hawaii have had to expend significant funds to ensure they are providing care of the



highest quality to their residents. They have done so admirably, with some of the lowest rates of cases and deaths among residents and staff in the nation. However, with the burden of omicron especially, these nursing facilities need some financial support to ensure they can keep their doors open and continue to accept new residents, especially those covered under the Medicaid program.

Last year, Hawaii nursing facilities led the nation in vaccinating residents and staff, becoming the leader in protecting nearly 100% of workers and seniors in these vulnerable settings. Nursing facilities, like many, felt that the worst was behind our community as we went into the 2021 session. However, the delta and omicron surges have put incredible pressure on nursing facilities in terms of their costs and ability to recruit and retain critical professions to care for seniors and other vulnerable individuals in long-term care settings.

We respectfully request amendments to Section 2 of this measure to ensure that we can meet any necessary guidelines and ensure that this funding provides a benefit to the most appropriate facilities, especially those caring for Medicaid patients. Specifically, we offer the following amendments to Section 2, which starts on page 3, line 16:

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2022-2023 to provide enhanced payments of 15 percent to any eligible facility in the state, as determined by the department of human services, that provides care to Medicaid patients in medicare-certified skilled nursing facilities, community care foster family homes, and expanded adult residential care homes [~~that are caring for medicaid patients~~]; provided that the department of human services shall obtain the maximum amount of federal matching funds available for this expenditure.

We understand that there are many priorities for funding this year that are important to our community. Protecting our most vulnerable residents in nursing facilities that have weathered two extremely difficult years, we hope, will be one of the top priorities for any additional funds that might be available. This one-time enhanced payment will be extremely important as nursing facilities rebuild and engage in workforce development programs to provide good-paying, stable careers for Hawaii residents. We urge your support of this measure and appropriation.

Testimony of  
Jonathan Ching  
Government Relations Director

Before:  
House Committee on Pandemic & Disaster Preparedness  
The Honorable Linda Ichiyama, Chair  
The Honorable Stacelynn K.M. Eli, Vice Chair

March 15, 2022  
10:00 a.m.  
CR 309 and Via Videoconference

**Re: SB 3236, SD2, Relating to Medicaid Patient Care**

Chair Ichiyama, Vice Chair Eli, and committee members, thank you for this opportunity to provide testimony on SB 3236, SD2, which appropriates an unspecified amount of funds to provide for a one-time enhanced payments of 15% to each nursing facility, community care foster family homes, and expanded adult residential care homes caring for Medicaid patients to assist with pandemic-related costs and lost revenues.

**Kaiser Permanente Hawai'i SUPPORTS SB 3236, SD2.**

Kaiser Permanente Hawai'i is Hawai'i's largest integrated health system that provides care and coverage for approximately 265,000 members. Each day, more than 4,400 dedicated employees and more than 650 Hawai'i Permanente Medical Group physicians and providers come to work at Kaiser Permanente Hawai'i to care for our members at our 20 medical facilities, including Moanalua Medical Center, providing high-quality care for our members and delivering on our commitment to improve the health of the 1.4 million people living in the communities we serve.

We write in support of SB 3236, SD2, which would provide a one-time, limited payment enhancement to nursing facilities, community care foster family homes, and expanded adult residential care homes that care for Medicaid patients. During the pandemic, most states instituted an enhanced payment for nursing facilities to account for the significant increased costs of labor, PPE, supplies, and testing, among other things. Further, nursing facilities, community care foster family homes, and expanded adult residential care homes experienced decreased occupancy which affected their revenues and further exacerbated the financial difficulties of nursing facilities in Hawaii and nationwide.

The recent delta and omicron COVID-19 surges have not only adversely impacted acute care facilities, like Kaiser Permanente Moanalua Medical Center, but the many sub-acute healthcare facilities throughout the state. These nursing facilities, community care foster family homes, and

expanded adult residential care homes are important to the entire care continuum in not only caring for our members but also controlling healthcare costs and avoiding hospital re-admissions. The recent surges have put considerable pressure on nursing facilities, community care foster family homes, and expanded adult residential care homes in terms of their costs and ability to recruit and retain critical professions to care for seniors and other vulnerable individuals in long-term care settings.

Kaiser Permanente Hawai'i supports a one-time enhanced payment to help nursing facilities, community care foster family homes, and expanded adult residential care homes rebuild and engage in workforce development programs to provide good-paying, stable careers for Hawai'i residents.

Mahalo for the opportunity to testify on this important measure.



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Linda Ichiyama, Chair  
The Honorable Stacelyn K.M. Eli, Vice Chair  
Members, House Committee on Pandemic & Disaster Preparedness

From: Jacce Mikulanec, Director, Government Relations, The Queen's Health Systems

Date: March 15, 2022

Re: In support of SB 3236 SD2 – Relating to Medicaid Patient Care

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The Queen's Health Systems (Queen's) is a not-for-profit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, 66 health care centers and labs, and more than 1,600 physicians statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's **supports** SB 3236 SD2, which would provide a one-time, limited payment enhancement to nursing facilities, community care foster family homes, and expanded adult residential care homes that care for Medicaid patients. During the pandemic, most states instituted an enhanced payment for nursing facilities to account for the significant increased costs of labor, PPE, supplies, and testing, among other things. Further, nursing facilities experienced decreased occupancy which affected their revenues and further exacerbated the financial difficulties of nursing facilities in Hawai'i and nationwide. Queen's supports this one-time enhancement as we depend on our nursing facility partners as a critical part of the overall continuum of care to address waitlisted patients in the acute setting.

This one-time enhanced payment will be extremely important as nursing facilities rebuild and engage in workforce development programs to provide good-paying, stable careers for Hawai'i residents.

Thank you for allowing Queen's to provide testimony in support of this measure.

*The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*



# **HAWAII HEALTH SYSTEMS**

C O R P O R A T I O N

*Quality Healthcare For All*

## **COMMITTEE ON PANDEMIC & DISASTER PREPAREDNESS**

**Representative Linda Ichiyama, Chair**

**Representative Stacelynn K.M. Eli, Vice Chair**

March 15, 2022

10:00 a.m.

Room 309 and via Videoconference

### **Testimony Providing Comments with a Request for an Amendment on Senate Bill 3236, SD2**

#### **RELATING TO MEDICAID PATIENT CARE.**

Appropriates an unspecified amount of funds to provide for a one-time enhanced payment equal to 15% of Medicaid patient payments of fiscal year 2022-2023 to each nursing facility, community care foster family homes, and expanded adult residential care homes that are caring for Medicaid patients, to assist with pandemic-related costs and lost revenues. Effective 7/1/2050. (SD2)

Linda Rosen, M.D., M.P.H.

President and Chief Executive Officer

Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony **providing comments with a request for an amendment on S.B. 3236, SD2**. This measure appropriates moneys to provide one-time enhanced payments of 15% to each nursing facility caring for Medicaid patients to assist with pandemic-related costs and lost revenues.

HHSC supports the intent of providing increased Medicaid reimbursements to nursing facilities to offset the lost revenues and increased costs incurred during the Coronavirus pandemic. HHSC's facilities Hilo Medical Center and Leahi Hospital both are classified "hospitals," yet both include beds licensed for skilled nursing. The two nursing facilities in Oahu Region, the Yukio Okutsu Veterans State Home, and the nursing home on the Hilo Medical Center campus are not cost based. **As such, we respectfully request that this measure be amended to include the below language which mirrors language similarly offered by the Healthcare Association of Hawaii. This will ensure that HHSC facilities are able to benefit from this program, to the extent possible:**

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ \_\_\_\_\_ or so

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

much thereof as may be necessary for fiscal year 2022-2023 to provide enhanced payments of 15 percent to any eligible facility in the state, as determined by the department of human services, that provides care to Medicaid patients in medicare-certified skilled nursing facilities, community care foster family homes, and expanded adult residential care homes ~~[that are caring for medicaid patients]~~; provided that the department of human services shall obtain the maximum amount of federal matching funds available for this expenditure.

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



## HALE MAKUA HEALTH SERVICES

COMPASSION COMMITMENT COMMUNITY

**March 15, 2022 at 10:00 a.m.**

**Via Videoconference**

### **House Committee on Pandemic & Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

From: Teana Kaho`ohanohano  
Administrator  
Hale Makua Health Services - Kahului

Date: March 11, 2022

Re: **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

Hale Makua Health Services is a skilled nursing facility that cares for Medicaid patients. Our Kahului facility has 254 beds.

Hale Makua Health Services is consistently struggling with staffing and is unable to admit new patients to full capacity due to severe workforce shortages. For some time now, and especially now with the emergence of the delta and omicron variants, retaining and recruiting qualified staff to care for the patients in our facility has been extremely difficult. In addition, staffing has been reduced due to positive COVID tests and possible exposure protocols. These challenges have resulted in severe financial losses for our facility.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.

**Testimony in Strong Support  
SB 3236 SD 2, Relating to Medicaid Patient Care**

House Committee on Pandemic and Disaster Preparedness  
Tuesday, February 15, 2022  
Via Videoconference

From: Randall Hata  
Vice President  
Ohana Pacific Health

I am writing today in **strong support** of this measure, which would provide critical relief for nursing facilities in the state. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the state have fared relatively well through the pandemic well with very low infection and death rates among staff and residents. This was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

I have worked in nursing facilities for 25 years and have seen the effects of the wars, economic downturns, nursing shortages and natural disasters. The effects of pandemic have far exceeded those of previous challenges. This public health emergency has not only adversely affected the staff of our facilities, but also of the entire care workforce nationwide.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



**SB-3236-SD-2**

Submitted on: 3/11/2022 4:52:59 PM

Testimony for PDP on 3/15/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Shinde	Individual	Support	Written Testimony Only

Comments:

House Committee on Pandemic and Disaster Preparedness

March 15, 2022 at 10:00 am

Via Videoconference

From: Jennifer Shinde

Your Position RN

Your Organization Ka'u Hospital

I am writing today in **strong support** of this measure, which would provide critical relief for nursing facilities in the state. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the state have fared through the pandemic relatively well with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for 3 percent of our operating expenses for the pandemic period. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.



**March 15, 2022 at 10:00 a.m.**  
**Via Videoconference**

**House Committee on Pandemic & Disaster Preparedness**

To: Chair Linda Ichiyama  
Vice Chair Stacelynn K. M. Eli

From: Alisa Racelo  
Interim Administrator  
Ann Pearl Rehab & Nursing

Date: March 11, 2022

Re: **Strong Support**  
**SB 3236 SD2, Relating to Medicaid Patient Care**

Ann Pearl Rehab & Nursing is a 104-bed skilled nursing facility that cares for Medicaid patients.

Ann Pearl Rehab & Nursing is consistently struggling with staffing and is unable to admit new patients to full capacity due to severe workforce shortages. For some time now, and especially now with the emergence of the delta and omicron variants, retaining and recruiting qualified staff to care for the patients in our facility has been extremely difficult. In addition, staffing has been reduced due to positive COVID tests and possible exposure protocols. These challenges have resulted in severe financial losses for our facility.

I am writing in **strong support** of this measure, which would provide critical relief for nursing facilities in the State. The pandemic has stressed the entire healthcare system many times over. Nursing facilities have had unique burdens during this time, doing their best to protect vulnerable residents through comprehensive screening and testing regimens, infection prevention and control practices, educational opportunities, and vigorous recruitment of healthcare workers to provide the highest quality of care to residents.

Overall, nursing facilities in the State have fared relatively well through the pandemic with very low infection and death rates among staff and residents. This was not a fluke—it was achieved through hard work and a commitment prioritizing the safety of everyone in our building. However, this also came at immense cost, having to pay for tests, PPE, temporary staff, and supplies and equipment that was often inflated in price due to shortages. While we appreciate that there was some federal relief provided, those dollars only accounted for around 30% of combined financial losses and additional costs for providers. We do not anticipate any additional funding being provided by Congress. Further, we are still struggling to hire staff—nationally, the industry has experienced a 15% permanent decline in staff. If nothing is done to support staff, then we will see reduced access, especially for residents on Medicaid.

We understand that there are many priorities you are considering. We believe that supporting our seniors and helping to build a more robust workforce for healthcare is critical. We urge your support of this measure and thank you for your consideration.

**SB-3236-SD-2**

Submitted on: 3/14/2022 12:18:13 PM

Testimony for PDP on 3/15/2022 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jacob W Moore Jr	Individual	Support	Written Testimony Only

Comments:

Regarding SB 3236 SD2 for a one-time payment to Nursing Facilities, Community Care Foster Family Homes (CCFFH), and Adult Residential/Expanded Adult Residential Care Homes (ARCH/EARCH) to help compensate for Pandemic related cost and staffing burden.

I feel that these caregivers did a heroic job taking care of our Kupuna during the pandemic, we must pass this legislation to give them additional compensation for their efforts during the pandemic as well as continue to move forward legislation that will increase the Medicaid payment to these homes and reduce the inequity between their rates and the Nursing Home rate for these patients.

We must resolve to address this inequity in our legislative rulings as well as policies set forth by the State Department of Human Services and Department of Health.

Thank you

Jake Moore, APRN

# ADULT FOSTER HOMECARE ASSOCIATION OF HAWAII

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

Feb. 22, 2022

Maribel Tan  
President

**Testimony in Strong Support of SB 3236** – PDP – 3/14/22, 10:00 a.m., Rm. 309 via  
Videoconference

Chair Ichiyama, Vice Chair Eli, and Members of the Committee:

The Adult Foster Homecare Association of Hawaii (AFHA) **strongly supports SB 3236**, to provide for a one-time enhanced payment equal to 15% of Medicaid patient payments of fiscal year 2022-2023 to each community care foster family home.

This would provide much needed relief to defray the extra expenses we have incurred because of the pandemic. Costs relating to personal protective equipment (PPEs), social distancing, barriers, and other modifications necessitated by COVID-19 were absorbed by our pockets. Without hesitation, we did what was best for our patients and everyone, but it's come at a sacrifice.

Community care foster family homes, which supplies over 2,000 beds statewide to elderly and disabled Hawai`i residents, has not seen any increase in reimbursement for over 15 years. We've borne the brunt of inflation and other cost increases. How much longer will we need to bear the costs?

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. 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/hr. 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

## 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.

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.

Please **SUPPORT** HB 3236.

Very truly yours,

Maribel Tan  
President



**Marylo Farinas**

*Dbas: CMC Kafamilya Adult Foster Home*

[Type here]

Senate Committee on Human Services

To: Chair Joy A. San Buenaventura Vice Chair Les Ihara, Jr.

Comments:

SB 3236, Relating for a one-time payment to Nursing Facilities to compensate for Pandemic related cost and staffing burden.

As one of the Community Care Foster Family Homes (CCFFH) operator I feel that we also deserved to receive the one-time compensation. We provide nursing home level care for Medicaid patients in the community, and we did a tremendous job taking care our Kupunas during the pandemic. Based on my researched, currently Nursing Homes gets paid approximately \$280.00 per day from Medicaid to care for the patient while CCFFH gets paid \$41.06 per day. This is very unfair; I cannot understand why CCFFH receiving significantly less than nursing homes. And yet, burden during the pandemic was equivalent to the nursing home burden—including exposure to infection, caregiver burnout / attrition (where some forced to closed), and increased need of Personal Protective Equipment (PPE) and testing.

In my own opinion, the State continuous to underpay CCFFH caregivers and taken them for granted. CCFFH also nearly double the capacity of beds for nursing home patients and provide nursing home level care to our Medicaid Kupuna in the community. I strongly suggest that this inequity in our legislative ruling as well as policies set forth by the State Department of Human Services Department of Health.

Thank you

MARYLO N FARINAS

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Senate Committee on Human Services

To: Rep. Linda Ichiyama, Chair, Rep. Stacelynn K.M. Eli, Vice Chair, Members-  
Senate Committee on Human Services

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