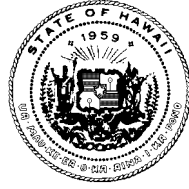


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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
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March 27, 2022

TO: The Honorable Senator, Joy A. San Buenaventura
Senate Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **SCR 10 – RELATING TO URGING THE DEPARTMENT OF HUMAN SERVICES TO STUDY THE FEASIBILITY OF INCREASING PAYMENT TO HAWAII’S COMMUNITY CARE FOSTER FAMILY HOMES AND EXPANDED ADULT RESIDENTIAL CARE HOMES FOR MEDICAID RECIPIENTS**

Hearing: March 29, 2022, 3:00 p.m.
Conference Room 225 & Videoconference, State Capitol

DEPARTMENT’S POSITION: The Department of Human Services (DHS) appreciates the intent and provides comments.

PURPOSE: Urging the Department of Human Services to study the feasibility of increasing payment to Hawaii’s Community Care Foster Family Homes and expanded Adult Residential Care Homes for Medicaid Recipients.

The Med-QUEST Division (MQD) is currently considering a feasibility study of rate increases as part of a Home and Community Based Services (HCBS) financial plan in response to a section of the American Rescue Plan Act that seeks to strengthen, enhance, and expand HCBS.

Also, a one-time rate increase is being considered for nursing facilities, Community Care Foster Family Homes (CCFFHs), and Expanded-Adult Residential Care Homes (E-ARCH) by the Legislature in SB 3236, Relating to Medicaid Payments. The Department agrees that payment increases are likely needed for not only CCFFHs and E-ARCHs, but notes that reimbursement and payment increase may be helpful for other types of HCBS providers and services.

For example, DHS has proposed increases for domiciliary care rates as specified in section 346-53(c), Hawaii Revised Statutes (HRS), and personal needs allowances (PNA) for individuals residing in settings as specified in section 346D-4.5(a), HRS, that are paid as part of the DHS Social Services Division's (SSD) programs. MQD is analyzing rate increases and restructuring the rates to better support HCBS providers and increasing their capacity to serve individuals with some of the most complex physical and behavioral health challenges.

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