

Honolulu, Hawaii

MAR 23 2023

RE: H.B. No. 1357
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 1357, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CARE HOMES,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate funds for enhanced payments for each Medicaid-eligible client under the care of certain care homes between July 1, 2009, and June 30, 2023, for each year the client received care.

Your Committee received testimony in support of this measure from the Kūpuna Caucus of the Democratic Party of Hawai'i, United Group of Home Operators, International Longshore and Warehouse Union Local 1000, and more than one hundred individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that care homes, including community care foster family homes, type I adult residential care homes, expanded adult residential care homes, and developmental disabilities domiciliary homes, provide necessary care to vulnerable populations of the State. Licensed care homes serve as a cost-effective alternative to skilled nursing facilities and hospitals while providing for the daily needs, comfort, companionship, and supervision of residents. Therefore, this



measure appropriates funds to support the continued operation of these care homes.

Your Committee notes, per testimony submitted by the Department of Human Services, that the funds appropriated for the enhanced payments provided for in this measure, as currently written, would not qualify for federal Medicaid matching. Therefore, the proposed enhanced payments would be funded entirely by state general funds. Your Committee further notes that the Department of Human Services does not reimburse developmental disabilities domiciliary homes. Rather, the Department of Health's Developmental Disabilities Division develops the rates for and makes payments to these care homes. In addition, the Department of Human Services does not reimburse type I adult residential care homes for home and community-based services, since these care homes do not meet the level of care criteria to qualify for reimbursement. Amendments to this measure are therefore necessary to address these issues.

Your Committee further finds that, similar to the intent of this measure, House Bill No. 1309, H.D. 1, introduced in the Regular Session of 2023, also addresses the financial hardships faced by certain care homes, including type I adult residential care homes, developmental disabilities domiciliary homes, and community care foster family homes. Whereas this measure currently appropriates funds for enhanced payments to certain care homes for Medicaid-eligible residents, House Bill No. 1309, H.D. 1, increases the maximum state supplemental payment amount the Department of Human Services is authorized to provide to certain care homes on behalf of a resident who is eligible for federal Supplemental Security Income or public assistance, or both, for expenses relating to the resident's care. The language of House Bill No. 1309, H.D. 1, is therefore preferable to that of this measure, as it does not require the Department of Human Services to act beyond its designated capacity by reimbursing care homes. Further, the state supplemental payment budget includes sufficient funds to accommodate the increased payment amounts proposed by House Bill No. 1309, H.D. 1, rendering an additional appropriation of state funds unnecessary.

Therefore, your Committee has amended this measure by:




- (1) Deleting its contents and inserting the contents of House Bill No. 1309, H.D. 1, a measure that:
 - (A) Beginning on July 1, 2023, requires that the state supplemental payment for type I adult residential care homes, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes increase from \$651.90 to \$772; and
 - (B) Appropriates funds to provide state supplemental payments in the amount of \$772 to certain care home providers for each resident under the provider's care who is eligible for federal Supplemental Security Income or public assistance, or both;
- (2) Further amending House Bill No. 1309, H.D. 1, by:
 - (A) Increasing the maximum state supplemental payment for type I adult residential care homes, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes to \$767, beginning on July 1, 2023;
 - (B) Increasing the maximum state supplemental payment for type II adult residential care homes from \$759.90 to \$857, beginning on July 1, 2023; and
 - (C) Deleting language that would have appropriated funds to the Department of Human Services;
- (3) Making it effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1357, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1357,



H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,

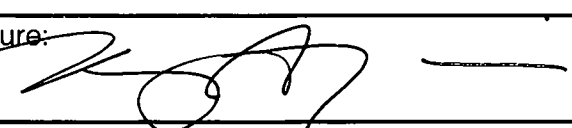


JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:*	Committee Referral:	Date:
<i>HB 1357 HD1</i>	<i>HHS, WAM</i>	<i>3/17/23</i>
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
SAN BUENAVENTURA, Joy A. (C)	✓	
AQUINO, Henry J.C. (VC)	✓	
MORIWAKI, Sharon Y.	✓	
SHIMABUKURO, Maile S.L.	✓	
AWA, Brenton	✓	
TOTAL	<i>5</i>	
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

*Only one measure per Record of Votes