

---

---

# HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A STUDY ON THE FEASIBILITY OF INCREASING THE MEDICAID REIMBURSEMENT PAYMENT RATE FOR HAWAII'S COMMUNITY CARE FOSTER FAMILY HOMES AND EXPANDED ADULT RESIDENTIAL CARE HOMES FOR MEDICAID CLIENTS IN 2032 AND EVERY TEN YEARS THEREAFTER.

1 WHEREAS, Hawaii has a limited number of beds in nursing  
2 homes for patients requiring a nursing home level of care; and  
3

4 WHEREAS, community care foster family homes (CCFFHs) and  
5 expanded adult residential care homes (E-ARCHs) provide  
6 additional options for a nursing home level of care throughout  
7 the State; and  
8

9 WHEREAS, caregivers in CCFFHs and E-ARCHs effectively  
10 provide the proper care needed for nursing home level patients,  
11 including assistance with activities of daily living (ADLs);  
12 specialized care, such as care with feeding tubes and catheters;  
13 basic wound care; maintenance exercise programs; cognitive  
14 stimulation; dietary management; and other custodial care, as  
15 needed; and  
16

17 WHEREAS, the availability of beds in CCFFHs and E-ARCHs can  
18 reduce the length of hospital stays; provide emotional,  
19 financial, and physical relief to families caring for a frail  
20 senior or family member in their own home; and reduce the risk  
21 of homelessness, morbidity, and mortality in patients who  
22 require a nursing home level of care; and  
23

24 WHEREAS, the ARCH program was introduced in Hawaii in the  
25 1950s to provide assisted living-type care and was expanded in  
26 1994 to provide a nursing home level of care as the E-ARCH  
27 program under the Department of Health, serving approximately  
28 fourteen hundred patients, with the potential for an even  
29 greater number; and



1  
 2 WHEREAS, the pilot CCFFH program was started in 1979 by The  
 3 Queen's Medical Center; began receiving Medicaid funding under a  
 4 federal Medicaid waiver in 1984, initially under the direction  
 5 of the Department of Human Services and now under the Department  
 6 of Health; and serves approximately three thousand patients,  
 7 with the potential for an even greater number; and  
 8

9 WHEREAS, the 1984 federal Medicaid waiver for CCFFHs was  
 10 approved based on its success as a high-quality alternative to  
 11 nursing home care for Medicaid patients, and because it costs  
 12 two-thirds or less than placement in a nursing home; and  
 13

14 WHEREAS, the level of CCFFH reimbursement has not kept up  
 15 with that two-thirds target, resulting in a reimbursement rate  
 16 to CCFFH providers in 2020 that is approximately one-sixth of  
 17 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, for a maximum of \$2,500 per month for room, board,  
 22 and all patient care, while a nursing home receives \$280 per  
 23 day, plus the patient's Social Security assistance for the same  
 24 patient, for a maximum of \$10,100 per month (with HMSA, Kaiser  
 25 Permanente, and UHA insurance at slightly higher rates); and  
 26

27 WHEREAS, Hawaii has an ethnically diverse population that  
 28 lives in sparsely-populated rural and densely-populated urban  
 29 areas, and it is projected that the number of residents above  
 30 age sixty will increase by seventeen percent between 2020 and  
 31 2030 and those over eighty-five years of age will increase by  
 32 thirty-two percent; and  
 33

34 WHEREAS, studies by AARP show that Hawaii needs to improve  
 35 efforts to provide lower-cost long-term care services to the  
 36 community under Hawaii's Med-QUEST Medicaid program rather than  
 37 the more expensive care in nursing homes; and  
 38

39 WHEREAS, many caregivers who operate CCFFHs and E-ARCHs are  
 40 also employed in nursing homes, hospitals, assisted-living  
 41 facilities, and other health care facilities around the State in  
 42 order to supplement their income and maintain their own health  
 43 benefits, which potentially creates a greater risk for the  
 44 spread of infectious disease; and



1  
2 WHEREAS, many CCFH caregivers will decline to accept a  
3 Medicaid patient and instead save empty beds for private pay  
4 patients in order to maximize their income, thus reducing the  
5 total number of beds available to Medicaid patients; and  
6

7 WHEREAS, very few caregivers in E-ARCHs will accept  
8 Medicaid patients because of the low reimbursement rate and  
9 instead save their beds for private pay patients; and  
10

11 WHEREAS, one of the outcomes of such a low reimbursement  
12 rate is the limited availability of beds in the community for  
13 Medicaid patients who require placement in nursing homes at the  
14 higher rate, thus increasing the total cost of care; and  
15

16 WHEREAS, many Medicaid patients remain hospitalized in  
17 acute care beds throughout Hawaii at a financial loss to the  
18 acute care facilities due to a lack of available community beds  
19 to which they can be discharged; and  
20

21 WHEREAS, Senate Resolution No. 4, S.D. 1, adopted during  
22 the Regular Session of 2022, requested the Department of Human  
23 Services to study the feasibility of increasing the Medicaid  
24 reimbursement rates for CCFHs, E-ARCHs, and other types of  
25 home- and community-based services care providers and services,  
26 and in response, the Department submitted a report of its  
27 findings and recommendations to the Thirty-Second Legislature in  
28 December 2022; now, therefore,  
29

30 BE IT RESOLVED by the House of Representatives of the  
31 Thirty-second Legislature of the State of Hawaii, Regular  
32 Session of 2024, the Senate concurring, that the Department of  
33 Human Services is requested to conduct a feasibility study  
34 similar to the study it conducted pursuant to Senate Resolution  
35 No. 4, S.D. 1 (2022), relating to increasing the Medicaid  
36 reimbursement payment rate for Hawaii's home- and community-  
37 based services care providers and services, in 2032 and every  
38 ten years thereafter; and  
39

40 BE IT FURTHER RESOLVED that each feasibility study is  
41 requested to include the following:  
42

- 43 (1) A review of the existing payment model for Medicaid  
44 reimbursement and a determination of whether overall



1 savings can be achieved by increasing the rate for  
2 CCFFH and E-ARCH care providers;

3  
4 (2) The feasibility of increasing the Medicaid  
5 reimbursement payment rate for Hawaii's CCFFHs and  
6 E-ARCHs for Medicaid clients; and

7  
8 (3) An evaluation and report of the impacts of the  
9 implemented rate increases on uptake, utilization, and  
10 cost savings to the Medicaid program; and

11  
12 BE IT FURTHER RESOLVED that the Department of Human  
13 Services is requested to request funding by 2031 to conduct the  
14 feasibility study in 2032; and

15  
16 BE IT FURTHER RESOLVED that the Department of Human  
17 Services is requested to submit a report to the Legislature  
18 after the completion of each study no later than twenty days  
19 prior to the Regular Session following the completion of each  
20 study; and

21  
22 BE IT FURTHER RESOLVED that certified copies of this  
23 Concurrent Resolution be transmitted to the Director of Human  
24 Services, President of the Adult Foster Homecare Association of  
25 Hawaii, and President of the Alliance of Residential Care Home  
26 Administrators.

