

STAND. COM. REP. NO. **1287**

Honolulu, Hawaii

**MAR 23 2023**

RE: H.B. No. 1356  
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. 1356, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID PATIENT CARE,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate funds to provide enhanced payments for coronavirus disease 2019-related costs and lost revenues to type I adult residential care homes and developmental disabilities domiciliary homes caring for Medicaid patients, under certain conditions.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Disability and Communication Access Board, Kūpuna Caucus of the Democratic Party of Hawai'i, United Group of Home Operators, International Longshore & Warehouse Union Local 1000, and more than one hundred individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that type I (five residents or fewer) adult residential care homes and developmental disabilities domiciliary homes provide necessary care to vulnerable populations of the State. Licensed care homes provide for the daily needs, comfort, companionship, and supervision of residents at a lower cost than skilled nursing facilities and hospitals and serve as a



cost-effective alternative to these facilities. The coronavirus disease 2019 pandemic and recent periods of high rates of inflation have had significant impacts on the costs necessary to operate local care homes. Therefore, this measure would appropriate funds to support the continued operation of type I adult residential care homes and developmental disabilities domiciliary homes in the State.

Your Committee notes the concerns raised in testimony that although the residents of type I adult residential care homes may be covered by Medicaid, type I adult residential care homes do not qualify for Medicaid payments for their residents, since these care homes do not meet the level of care criteria for professional health services provided in an intermediate care facility or skilled nursing facility. Further, the Department of Health's Developmental Disabilities Division, not the Department of Human Services, sets the rates for and directly reimburses developmental disabilities domiciliary homes. Amendments to this measure are therefore necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

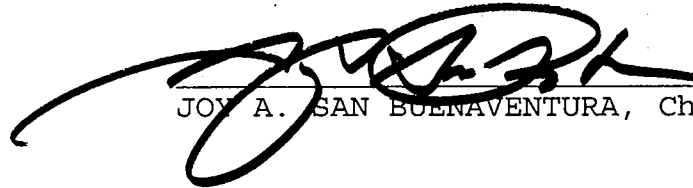
- (1) Clarifying that the appropriated funds shall be for enhanced payments to providers of state-licensed adult residential care homes and developmental disabilities domiciliary homes that are caring for residents, rather than patients, who receive Medicaid benefits;
- (2) Clarifying that either the Department of Human Services or the Developmental Disabilities Division of the Department of Health, whichever is applicable, shall obtain the maximum amount of federal matching funds available for the appropriated funds; and
- (3) 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. 1356, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1356,



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



