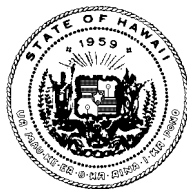


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 24, 2024

To: The Honorable Representative Kyle Yamashita, Chair
House Committee on Finance

FROM: Cathy Betts, Director

SUBJECT: **HB 2215 HD1 – RELATING TO MEDICAID.**

Hearing: February 26, 2024, 10:00 a.m.
Conference Room 308, State Capitol & Video Conference

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this bill and provides comments. Notably, DHS requests the Legislature support the Governor's budget, which includes the department's request for an appropriation that would accomplish the same goals as this bill proposes. Having the appropriation included in the DHS base budget will ensure the increase will continue for more than one year.

PURPOSE: This bill appropriates funds to increase the funding of certain Medicaid home and community-based services, including adult day programs and residential services offered in community care foster family homes and expanded adult residential care homes. Requires the Department of Human Services to obtain matching funds. Effective 7/1/3000. (HD1)

The Committee on Human Services amended this measure by:

- (1) Changing the purpose of the appropriation to delete case management services for home and community-based case management agencies and instead include adult day programs;
- (2) Changing the appropriation to an unspecified amount;

- (3) Deleting the requirement for the Department of Human Services to pursue all funding sources, including private grants, as federal Medicaid rules prohibit most private grants as a funding source for certain Medicaid services;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

DHS appreciates the intent of this bill to appropriate funds to increase reimbursement rates for certain Medicaid community-based services, specifically for community care foster family homes (CCFFHs), expanded adult residential care homes (E-ARCH), and adult day programs. Of note, DHS included a budget request of \$5,750,000 in the Governor's budget that represents the "low scenario" options for the Community Residential and the Adult Day Program included in Phase I and II HCBS rate studies commissioned by Med-QUEST Division (MQD) and completed by Milliman in December 2022 and December 2023, respectively. DHS would prefer that the appropriation be included in the executive budget bill as opposed to this bill so that the appropriation can be recurring and the increase ongoing.

Thank you for the opportunity to testify on this measure.



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**The State Legislature
House Committee on Finance
Monday, February 26, 2024
Conference Room 308, 10:00 a.m.**

TO: The Honorable Kyle Yamashita, Chair
FROM: Keali'i Lopez, State Director, AARP Hawai'i
RE: Support for H.B. 2215, HD1 Relating to Medicaid

Aloha Chair Yamashita and Members of the Committee:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social mission organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports H.B. 2215 HD 1 appropriating funds to increase the funding of certain Medicaid home and community based services including case management services and residential services offered in community care foster family homes and expanded adult residential care homes.

Most people prefer to age in their homes or in a home and community based setting (HCBS) provided by Hawaii's 1,600+ foster family and adult residential care homes. These HCBS providers are the backbone of the state's long term care delivery system – their services are cost-effective, high quality and support people's preference to age at home or in a home-like setting. Hawaii is already facing an acute shortage of health care providers. The HCBS providers such as case management agencies, community care foster family homes, and others have gone the longest without a rate update. We need to attract, retain, and compensate them properly so that they can continue to care for our most vulnerable populations including kūpuna. Increasing the Medicaid payments will help improve the overall access to care for all people in need.

Thank you very much for the opportunity to testify in support of H.B. 2215, HD1.



TESTIMONY IN STRONG SUPPORT OF H.B. 2215, HD1 RELATED TO MEDICAID

To: Chair Kyle T. Yamashita, Vice-Chair Lisa Kitagawa, and Members of the Committee on Finance

From: The Hawai'i Friends of Civil Rights
Co-Chairs Amy Agbayani and Pat McManaman

The Hawai'i Friends of Civil Rights works to achieve equity, justice, and inclusion, uphold civil rights, and eliminate discrimination. We stand in support of **HB2215, HD1** and believe it is imperative to appropriate and increase funding of certain Medicaid home and community-based services, including adult day programs and residential services offered in community care foster family homes and expanded adult residential care homes.

Importantly, Medicaid home and community service workers help our kupuna and disabled residents remain in family residential settings. These homes are an essential component of our long-term care system which is facing a “tsunami wave” of older residents.

Thank you for the opportunity to testify on this measure.

ADULT FOSTER HOMECARE ASSOCIATION OF HAWAII

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

February 26, 2024

Maribel Tan
President

Testimony in Strong Support of HB2215, HD1 – FIN – 2/26//24, 10:00 a.m., Rm. 308
(Testifier to Appear via Videoconference)

Chair Kyle T. Yamashita, Vice Chair Lisa Kitagawa, and Members of the Committees:

The Adult Foster Homecare Association of Hawaii (AFHA) **strongly supports HB2215, HD1**, which appropriates funds to increase the funding of Medicaid home and community based services including community care foster family homes (CCFFHs).

CCFFHs supplies over 2,000 beds statewide to elderly and disabled Hawai'i residents. We have not seen any increase in reimbursement rates for over 15 years. We've borne the brunt of inflation and other cost increases. As we repeat in chorus every year, it is becoming impossible to provide the services we provide at the current reimbursement rates.

A few years ago, the State of Hawaii commissioned the Home and Community-Based Services (HCBS) Rate Study Report by Milliman. Nothing has been done. This report from an independent neutral party hired by the state validated what we have been saying for the last 15 years. It's as if no one has taken us seriously. Our voices have landed on deaf ears.

Based on the Milliman Report, the Department of Human Services, Med-Quest Division (Med-Quest) concluded: "It is also important to focus on HCBS providers who serve groups with high utilization of services and who have gone the longest without a rate update such as case management agencies, **community care foster family homes**, and adult day health and day care centers." (Emphasis added.)

Ironically, the recognition of our hardship comes from an outside consultant from out-of-state. Perhaps a broader national perspective accentuates how far behind CCFFHs lag behind and how we are undervalued. We emphatically join Med-Quest in their observation that it is time "to revise how providers of long-term care are reimbursed to better meet current and future needs." Now is the time!

We came very close last year reaching conference committee. For reasons that we are still unaware, the bill was killed. Why? Please let us know what we can do so that our caregivers and families who provide 24/7 care to our kupuna and disabled can earn an adjustment in compensation so that we can afford to feed our families and stay in business. We are working hard taking care of the state's responsibilities. The responsibility for our kupuna and disabled clients are ultimately the state's responsibility.

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 1,000 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.

We are helping and caring for them. What do we need to do for the state to care for us caregivers?

Even at a time with a budget surplus, our bill last year was killed. Yet, no one has testified against adjusting our compensation that has not been increased for 15 years. Please let us know because we will soon be at the end of the road.

Please SUPPORT HB 2215. Thank you for this opportunity to testify.

Very truly yours,

Maribel Tan
President

HB-2215-HD-1

Submitted on: 2/23/2024 10:14:03 PM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Judy Canlas	Individual	Support	Written Testimony Only

Comments:

Being a Foster Home Caregiver is not easy and living in this economy as well. High cost of living pushes us to the limit with the pay we're getting. It is not enough to support our families and clients needs. So please support this bill and pass it so we can serve the community better. Thank you.

HB-2215-HD-1

Submitted on: 2/23/2024 10:19:20 PM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeannie Abero	AFHA	Support	Written Testimony Only

Comments:

My name is Jeannie Abero. I've been a caregiver for 20 years. I am supporting bill HB2215.

I cannot continue doing this business if you will not give us an increase because inflation is high and the money we are receiving is not enough to support our families.

Testimony on House Bill No. 2215, HD1

RELATING TO FINANCE COMMITTEE

Aloha Chair Kyle Yamashita, Vice Chair Lisa Kitagawa, and Members of the Committee

My name is Sharmen Graydon and I SUPPORT HB 2215, HD1 which appropriates funds to increase the Medicaid funding for in-home services for elders who desire to age at home. So much of the in-home care for kupuna is done by family members, who want to make sure their loved ones are well cared for at home but do so at great expense to their own physical, mental and even financial well-being. It is estimated that 154,000 family caregivers put in 144 million hours of unpaid care valued at \$2.6 billion if they were paid. Furthermore, about \$7,200 spent on the care comes out of the caregiver's own pocket. I watched my dear friend who cared for her husband with Alzheimer's' at home until his death. Now she cares for her father with a broken hip and is bed-ridden, and her mother who has dementia. She is exhausted when we talk, and has no time to care for her own health. She needs trained help to care for the medical and emotional needs of both parents but such help is very hard to find. A badly needed increase in funding for such help is critical to recruit and retain those who could help my friend keep her parents at home and not in an institution.

Please support this bill. And thank you for the opportunity to testify in support of HB 2215 HD1.

Submitted by Sharmen Graydon, Haiku, Maui

HB-2215-HD-1

Submitted on: 2/24/2024 8:33:56 PM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
claribel cabantog	Individual	Support	Written Testimony Only

Comments:

Dear Rep. Kyle Yamashita (Chairman) and Rep. Lisa Kitagawa (Vice chairman) of Committee on Finance,

As a caregiver for almost 17 years it's been so hard to keep our Foster Carehome open. There are times the client that we're getting is like for 2 people assist and our pay is not adequate for the work we do 24/7. Most of the caregivers struggle to pay rent, mortgage and pay bills (especially if they have kids that goes to college) My business is located at my home residence so I can take care of my parents, kids and work from home all at once. The cost of living here in Hawai'i is too high and we cannot afford to pay substitute caregivers for the amount we get, \$44.16 per day. Can you please help us caregivers to get a raise for the work we provide for our Kupuna.

Mahalo for all your time and consideration for this matter.

Sincerely,

Claribel Cabantog - CCFFH PRIMARY Caregiver

[\(808-469-5607\)](tel:8084695607)

HB-2215-HD-1

Submitted on: 2/24/2024 10:09:29 PM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Carina Ocampo	United Community Healthcare of Hawaii	Support	Written Testimony Only

Comments:

In strong support for HB2215

HB-2215-HD-1

Submitted on: 2/25/2024 5:46:08 AM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruthie Agbayani	Individual	Support	Written Testimony Only

Comments:

I am in full support of HB2215.

Hawai'i's cost of living has increased exponentially.

Inflation on basic needs is a hardship on quality health & wellness of the care recipients, the caregivers, and their families.

If minimum wage of workers needs to be increased to \$14.00 per hour (effective 1/1/2024 according to the Department of Labor), then the Departments of Health and Human Services has far too long undervalued its Home & Community Based Program caregivers with less than \$2.00 per hour for 24 hours, 7 days a week of nursing home level care.

HB-2215-HD-1

Submitted on: 2/25/2024 1:53:34 PM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nenita Gouveia	AFHA	Support	Written Testimony Only

Comments:

As a caregiver for the past 18 years, I have dedicated my life to providing quality care for those in need. My name is Nenita Gouveia, and I have seen firsthand the challenges and struggles that caregivers face every day. That is why I wholeheartedly endorse HB2215, which aims to provide fair compensation for caregivers like me who often receive inadequate pay for our services.

Many caregivers, including myself, struggle to make ends meet with the current compensation we receive. This is simply not enough to cover all our expenses, including bills, food, housing, and other necessities. With the rising cost of living, it has become even more challenging to make a living as a caregiver. Despite this, we are expected to deliver high-quality care to our clients. But how can we do that when we are struggling to make ends meet?

Caregiving is not just a job; it is a calling. We are driven by our passion to help those in need and provide them with the best care possible. However, this does not mean that we should be exploited and underpaid for our hard work. As caregivers, we perform vital labor that requires a high level of expertise, commitment, and accountability. Therefore, it is only fair that we are compensated equitably for our services.

HB2215 is a step in the right direction towards recognizing the value of caregivers and ensuring that we are fairly compensated for our work. It is time for our society to acknowledge the crucial role that caregivers play in our healthcare system and provide them with the support and compensation they deserve. As a caregiver, I urge all to support this bill and help improve the lives of caregivers who selflessly dedicate themselves to caring for others.

HB-2215-HD-1

Submitted on: 2/25/2024 4:39:27 PM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Maria Leah Pascua	Individual	Support	Written Testimony Only

Comments:

I am Maria Leah Pascua, I am foster care home operator, I highly support HB 2215 due to high cost of living here in Hawaii.

sincerely,

Maria Leah Pascua,

Representative Liza Marten, Chair

Committee on Human Services

10:00 am, Monday, February 26, 2024

HB 2215 (In Support)

My name Elma V. Tierra, Pres. of Alliance of Professional Primary Care Administrators. I have been a Community Care Foster Family Caregiver for more than 20 years, taking care 2 to 3 patients at home. My job requires 24/7 care for my elderly & fragile patients, with no days off or holidays. Based on 365 days a year I get paid \$ 44.16 per day per patient. That comes out to \$ 1.42 per hour which probably makes me one of the lowest paid workers in Hawaii.

In addition, the Community Care Foster Family Homes saves the State and Federal governments millions of dollars each year that they would otherwise have to pay for the care of these clients if they are admitted to an institution like nursing home.

The last increase was about 19 years ago, and the cost of living has soaring significantly without any corresponding increase in payments to us caregivers.

I strongly support HB 2215 which would increase appropriate funds to increase the funding for medicaid in-home services. Thank you for the opportunity to testify.

Very truly yours,

Elma V. Tierra

Pres. Alliance of Professional Primary Care Administrators

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

Chair Rep. Kyle T. Yamashita, Vice Chair Lisa Kitagawa and all Committees:

I am Leticia Dagulo, caregiver for 20 years. I am in support for HB 2215. I humbly request your support to increase the reimbursement rates for Community Care Foster Family Home's in the State. Reimbursements to Community Care Foster family Home in Hawaii have not increased for fourteen (14) years.

I cannot continue doing this business if you will not give us increase

because of high inflation. The cost of food, shelter, gas, electricity, and other necessities is skyrocketing. The payment for services we are receiving for our Medicaid Client is not enough to support our families.

It is time for the State of Hawaii to support us so we can continue to take care of our vulnerable elderly and disabled.

Sincerely,



Leticia Dagulo

