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STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
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P. O. Box 339
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February 23, 2023

TO: The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance

FROM: Cathy Betts, Director

SUBJECT: [HB 1357 HD1](#) - RELATING TO CARE HOMES.

Hearing: February 24, 2023, 11:30 a.m.
Conference Room 308 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) respectfully opposes this measure. DHS requests that any appropriation not replace or reduce priorities identified in the executive budget and forthcoming Governor's Messages.

PURPOSE: This bill appropriates funds for "enhanced payments" for each Medicaid-eligible client cared for by certain care homes over the last fourteen years.

This measure proposes enhanced payment of \$2500 for each Medicaid-eligible client residing in either a Community care foster family home (CCFFH), Adult residential care home-Type I (ARCH), Expanded adult residential care home (E-ARCH), or a Developmental disabilities domiciliary homes (DDom).

DHS does not reimburse Developmental Disabilities domiciliary homes; instead, the Department of Health's (DOH) Developmental Disabilities Division (DDD) develops the rates and pays for those homes. DHS also does not reimburse Adult Residential Care Homes – Type I for home and community-based services since they do not provide the Level of Care required to qualify for home and community-based services. ARCHs do have residents who are covered by

Medicaid. However, payments for things like room and board are made by the Social Security Administration on behalf of the resident from their Supplemental Security Income and, if the resident qualifies, their State Supplemental Payment, as outlined in sections 346-53(c) and (d), Hawaii Revised Statutes.

The committee report requested that DHS provide information to the Finance committee if enhanced payments have been made to any of the providers. Per Act 254, Session Laws of Hawaii 2022 (Act 254), DHS provided one-time “enhanced” payments to help mitigate some of the impacts of the pandemic. These payments were allocated for nursing facilities, Community Care Foster Family Homes (CCFFHs), and E-ARCHs and have already been made to CCFFHs and E-ARCHs. DDOms were not included in Act 254, and no appropriation was made to DOH DDD for that purpose. And as was noted earlier, DHS does not reimburse ARCHs, so no enhanced payments were made.

The committee also requested that DHS comment if the 14 years' worth of payment would be lawful, which we understand to mean, whether the payments would qualify for federal Medicaid matching funds. The \$2500 per Medicaid resident per year would not qualify for Medicaid match under any scenario, and such payment would have to be paid using general funds only.

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

HB-1357-HD-1

Submitted on: 2/22/2023 8:12:58 PM

Testimony for FIN on 2/24/2023 11:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Rosemarie S. Sebastian	ILWU Local 1000	Support	Written Testimony Only

Comments:

Hello.

I am writing to you to ask for your support for the licensed home operators in Hawaii. We are health care contractors for the State of Hawaii. We care for the impoverished and the medicaid benefit recipients--who are unable to care for themselves. We provide for their housing, meals and snacks, daily needs, 24/7, 365 days a year supervision, and in some cases, medical care-- providing transportation to their doctors and we also provide medicine monitoring.

Why are we asking for back pay or enhanced payments? Because, we never got an increase in pay from the State for the last 14 years. Today we receive \$1,515.90 per client for Room and Board and although, there are some levels of care cost, we never get paid any care cost? Our home is a Type I Arch; we care for the mentally challenged, disabled, elderly, and homeless individuals--who are all med-quest recipients. My mother worked this business for 48 years. I was just approved--not long ago by DOH-OHCA to continue our care home. My mother just retired and the money she receives from Social Security is not sufficient for her livelihood. Every time she filed for her income tax, her income was only around \$12,000 per year so can you imagine how much she saved for retirement bec. the pay she received from SSI/Medquest was barely enough to keep the care home going? Most of the Type I ARCH providers are just like my mother--most of them will retire soon. I have to say that these providers--including my mother saved the State a lot of monies basically because they were paid so little as compared to all other facilities in the State. I hope you find it in your hearts to be more compassionate to caregivers.

Your kind support and vote for HB 1357 would be greatly appreciated. Thank you!

Sincerely yours,

Rosemarie S. Sebastian, Treasurer

ILWU - LOCAL 1000

99-079 Kauhale St. #101, Aiea, HI 96701

Rep. Kyle Yamashita, Chair
Finance Committee
Rep. Lisa Kitagawa, Vice Chair
Finance Committee

Friday, February 24, 2023
In Support of HB1357 Related Medicaid Back Pay

Chair Kyle Yamashita, Vice Chair Lisa Kitagawa and members of the Finance Committee,

Good morning, my name is Esther Pascual. I have been a care home operator for over 50 years. I have been the President of the United Group of Home Operators (UGHO) for over 23 years. I am also the Second Vice President of the International Longshore & Warehouse Union (ILWU Local 1000 Home Operators).

I am in strong support of passing HB1357 relating to Medicaid Patients Back Pay. We care for the impoverished and the medicaid benefit recipients who are unable to care for themselves. We provide their housing, meals and snacks, daily needs, supervision and in some cases medical care. Home providers have been paid the same amount for the last fourteen (14) years prior to January of 2023. I submit that Home providers of the aforementioned facilities shall receive back-pay for having no increases for the aforementioned time. Licensed care givers shall be paid \$2,500 per client, for each year of the last fourteen years. Back-payments for clients/patients who were housed less than a year will be pro-rated. Payments are to be made in monthly installments over the course of 12 months to licensed care givers, or in a single lump sum at the request of the licensed care giver. Licensed care givers must provide historical records of the patients under their care to receive back pay.

I humbly ask for your support of this bill and I thank you for giving me the opportunity to testify to this important bill.

Esther B. Pascual
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