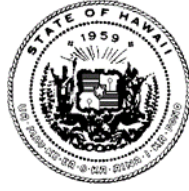


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

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

April 9, 2024

TO: The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Health & Human Services

FROM: Cathy Betts, Director

SUBJECT: **HCR 91 HD1 - REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ESTABLISH A WORKING GROUP TO ADDRESS ISSUES RELATING TO REIMBURSEMENTS AND PAYMENTS TO HOME AND COMMUNITY-BASED SERVICES PROVIDERS.**

Hearing: April 12, 2024, 1:00 p.m.
Conference Room 225 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) offers comments.

PURPOSE: This resolution requests that DHS establish a working group to address issues relating to reimbursements and payments to home and community-based services (HCBS) providers in order to: conduct a comprehensive analysis of the current reimbursement and payment system for HCBS providers; identify areas where improvements can be made to support HCBS providers; explore strategies to enhance reimbursements and payments to HCBS providers including policy changes, negotiation strategies, and alternative funding sources; and engage with HCBS stakeholders to gather input and feedback on reimbursement and payment enhancement measures. The working group is required to provide quarterly updates and submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2025; and cease to exist on June 30, 2025.

The House Committee on Human Services (HD1) amended the measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

DHS understands the significant challenges of the wide variety of HCBS providers and thus has taken several actions or collaborated with many others to try and address them. DHS Med-QUEST Division (MQD) proactively conducted comprehensive, in-depth HCBS rate studies consisting of two phases. Phase I, completed in 2022 and referenced within the resolution, focused on a subset of highly utilized HCBS services: community care foster family homes (CCFFH), expanded-adult residential care homes (E-ARCH), case management agencies, and various in-home related HCBS services such as Private Duty Nursing, Homemaker/Chore and Personal Care/Personal Assistance.

Additionally, Phase II, conducted in 2023, built upon the Phase I study by expanding to an additional set of HCBS: assisted living facilities, adult day health, adult day care, home-delivered meals, respite, and a recommendation for another tier for higher acuity individuals in CCFFHs or E-ARCHs. The Phase II study was presented in 2024, and all materials are available on the Med-QUEST Division's [website](#). The two rate studies involved many meetings with all of the various types of providers of the different home and community-based services being studied. The findings and recommendations of the comprehensive two-year rate studies have informed the State Budget appropriations request for fiscal biennium 2023-2025.

Of note, only provider organizations or providers associated with residential care homes are requested to be added as participants in the working group. No other provider organizations or provider types are requested to be included, even though the request is to conduct a comprehensive analysis of all home and community-based services.

Also, DHS has supported and encouraged the passage of HB 2216, "Relating to Care Homes," which proposes to increase the State Supplemental Payment (SSP) maximum amount paid to various types of care homes. The maximum has not increased for more than 14 years due to the statute remaining unchanged for that time. If passed by the Legislature, this would further increase the net revenue of different care homes. SSP is administered by the Adult Protective and Community Services Branch in the Social Services Division of DHS and is a program overseen by the Social Security Administration (SSA). The monthly payments are

calculated based on the Maintenance of Effort amount determined by SSA and the projected number of individuals eligible to receive this benefit.

Additionally, HB2224 “Relating to Long-Term Care” charges the Department of Health’s Executive Office on Aging (EOA), one of the named participants in the working group, to create a comprehensive long-term care master plan to accomplish policy goals, including increasing access to the entire continuum of long-term care. Such a plan would include financing of not only home and community based care but the whole continuum of care. This broader, more comprehensive approach will be a necessary context for the narrower focus on home and community based services that the requested working group would review.

Finally, the comprehensive analyses and report requested are similar to the MQD rate studies, which are significant and costly undertakings. Therefore, to conduct the analyses and reports, DHS would require an appropriation to convene the working group and complete the requests for a comprehensive analysis of all home and community based services and a report to the Legislature. The MQD comprehensive rate studies and reports conducted by contracted actuarial firms cost an average of \$450,000 (\$225,000 A funds/\$225,000 N funds). It is unknown how much more would be required for the requested comprehensive analysis, quarterly, and final reports.

Additionally, federal Medicaid match would be unavailable since home and community based services are funded through various non-Medicaid sources. Therefore, DHS estimates that an additional \$350,000 may be needed for the comprehensive analyses.

In the meantime, DHS respectfully suggests the Legislature consider appropriating DHS budget requests to increase certain HCBS provide rates based on existing rate studies and pass other measures that would increase SSP rates. Legislative action in this session would help the sustainability of at least the residential care homes, even if that does not address all HCBS providers.

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

HCR-91-HD-1

Submitted on: 4/11/2024 10:48:41 AM

Testimony for HHS on 4/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Maria Corazon E. Cariaga	Testifying for Big Island Adult Foster Home Operators	Support	Written Testimony Only

Comments:

On behalf of my association The Big Island Adult Foster Home Operators, I strongly support and recommend the working group of this HCR91. Due to the fact that the caregivers of Home and Community Based Services in the entire community of Hawaii really needs this service , " the working group", who will help us with our re imbusement from the services we provide to the needy population of our community. Since this program " Residential Adult Community Care Program ", now named as the HCBS , and established since 1998 an increase of the reimbursement from the Health Plans never happened. High costs of living escalated, so we really deserve to have the best reimbursement. And if this HCR91 will be approved, may I please request to be added as one of the working group. Thank you for allowing to participate in submitting my testimony.

HCR-91-HD-1

Submitted on: 4/10/2024 9:16:53 AM

Testimony for HHS on 4/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Wilfred Ashley chang	Testifying for ILWU International	Support	Written Testimony Only

Comments:

Thank you for the opportunity to submit written testimony. The ILWU is in full support of HCR91 as it recognizes the essential and necessary services home and community based services providers for our elderly and vulnerable population.

The challenge for home and community based services providers is that reimbursement rates are not in line with cost of living expenses. The 2022 Milliman study supports this assertion.

Establishing the proposed working group is a great start at addressing a multitude of issues. We are ready to serve if called upon.

Respectfully,

Wilfred Chang

ILWU International Representative Hawai'i

TESTIMONY
RE: H.C.R. NO. 91

LATE

April 11, 2024

Dear Chair, San Buenaventura, Vice-Chair, Aquino, and all Committee Members:

On behalf of ILWU – Local 1000, I thank you for HCR No. 91 and for its intended purposes.

I so appreciate this resolution as offered by Rep. Rachele Lamosao.

Establishing a working group to address issues relating to reimbursements and payments to Home and Community-based services providers is most important—not only to the mentioned providers but also to benefit the future of our state’s elderly and vulnerable populations.

For so long, the current reimbursements payments are quite inadequate—most especially to Foster Homes—that it has become very difficult for any provider to manage its monthly budget to provide better quality care. Caregiving 24/7; 365 days a year is a very difficult job—yet, having to worry about monthly budget at the same time--while caring for patients adds to the stress of caregivers. In addition, there are critical areas of which current reimbursements pay doesn’t provide for: Medical insurance, vacation pay, and worst of all, nothing is left to plan for caregiver’s retirement. It is so critical that Providers of home and community-based services (especially Foster Homes) be granted appropriate fair and equitable pay increases—immediately. How can one provide quality care when the quality of pay is so poor?

Bottomline, whatever the method and/or the ways--in implementing and enhancing reimbursements pay rates, it’s not enough to keep talking about it; somebody must do something about it because caregivers/providers can’t be left out dry any longer.

Caregivers/Providers need your help as well. Perhaps, there should be an established regular monthly meeting—a collaboration between HDS and Caregivers to discuss issues pertaining to increases and/or other issues surrounding Foster Homes and E-ARCH.

Your kind and expeditious considerations would be greatly appreciated.

Respectfully submitted,

Rosemarie S. Sebastian, Treasurer/Caregiver

ILWU – LOCAL 1000/SEBASTIAN’S ARCH LLC

1630 Leilani St., Honolulu, HI 96819

Tel. (808) 220-0824

LATE

HCR-91-HD-1

Submitted on: 4/11/2024 9:12:43 PM

Testimony for HHS on 4/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
MARFE RETUNDO	Testifying for CCFFH	Support	Written Testimony Only

Comments:

Aloha,

My name is Marfe Rettundo. As one of CCFFH here in Big Island I support this bill. Mahalo for giving us the time and reading our testimony.

Mahalo

Marfe



Friday, April 12, 2024 at 1:00 pm
Conference Room 225

Senate Committee on Health and Human Services

To: Chair Joy A. San Buenaventura
Vice Chair Henry J.C. Aquino

From: Paige Heckathorn Choy
AVP, Government Affairs
Healthcare Association of Hawaii

Re: **Submitting comments**
HCR 91 HD 1, Requesting the Department of Human Services to establish a working group to address issues relating to reimbursements and payments to home and community-based services providers

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

We are submitting **comments** on this measure, which seeks to establish a working group to address reimbursements for home-and community-based services. We believe that discussing reimbursements for all long-term care providers is important and have appreciated the attention and detail that MedQUEST has paid to this topic. While we do not represent home-and community-based providers as part of our membership, we are often involved in conversations regarding long-term care and appreciate the opportunity to participate in this working group.

Thank you for your continued support of healthcare providers in the state, and for the opportunity to provide comments on this resolution.

HCR-91-HD-1

Submitted on: 4/10/2024 8:37:38 PM

Testimony for HHS on 4/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Estela Ellazar	Individual	Support	Written Testimony Only

Comments:

HCBS providers need working group to help in reviewing the situation of reimbursement. Thank you for giving me the opportunity to submit my testimony.

LATE

HCR-91-HD-1

Submitted on: 4/11/2024 4:09:45 PM

Testimony for HHS on 4/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Delia Cabingabang	Individual	Support	Written Testimony Only

Comments:

Dear Committee on Health and Human Services

Thank you for the opportunity to submit testimony. I am in support of this bill and humbly ask for your support as well.

Sincerely,

Delia Cabingabang

LATE

HCR-91-HD-1

Submitted on: 4/11/2024 9:12:33 PM

Testimony for HHS on 4/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Grace Jadulang	Individual	Support	Written Testimony Only

Comments:

I'm supporting this bill, caregiver deserve to have reimbursements and payments. We work so hard to help our clients and their family to help take care their love ones.

LATE

HCR-91-HD-1

Submitted on: 4/11/2024 9:21:29 PM

Testimony for HHS on 4/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
rufelia s tomas	Individual	Support	Written Testimony Only

Comments:

I support this bill

LATE

HCR-91-HD-1

Submitted on: 4/12/2024 6:02:09 AM

Testimony for HHS on 4/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ellen Awai	Individual	Support	Written Testimony Only

Comments:

Please support HCR91 HD1, in whatever way is needed to get the state's Dept of Human Services to process reimbursement faster. Of course, most departments blame the department that pays them, not sure if still DAGS, Dept of Accounting & General Services. I have had many experiences with payment processing at DOH/Adult Mental Health Division which apparently has not changed very much for 2 decades. What is involved is many staff people who did nothing much but collect a paycheck and usually it was the approval process that took the longest. But the timing to process was necessary, especially when you have outside organizations such as the Veterans Administration of the Pacific behind the funding already deposited into a state account. I knew as well as those above me, my educational trips for additional trainings was necessary to create a program like the Hawaii Certified Peer Specialists program. The AMHD Chief, Dr. Thomas Hester usually had to step in. Even the AMHD accounting staff with Amy Yamaguchi?? in charge, was surprised how my trips and my 2-week trainings could be setup so quickly, especially with my experiences of travel arrangements, although they had certain vendors they used. A comment by one who realized how a person with a mental "illness" could actually work, after seeing others' work ethics. Please support.