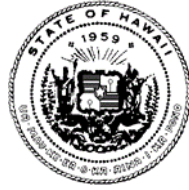


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
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

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 4, 2025

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 1564 – RELATING TO MEDICAID.**

Hearing: Wednesday, February 5, 2025, 1:00 p.m.
Conference Room 225 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure, offers comments, and requests clarification.

PURPOSE: The purpose of this bill is to appropriate funds to increase the long-term care reimbursement from Medicaid to fund certain Medicaid homes and community-based services, including licensed developmental disability domiciliary homes, community care foster family homes, certified adult foster homes, and Type II expanded adult residential care homes.

The increases to long-term care reimbursement for services in this bill, including federal Medicaid matching funds, “increases by \$2,127 per client per month, for a new total payment equivalent of \$3,824 per client per month for service providers.”

DHS previously received funding to increase reimbursement rates to community care foster family homes and expanded adult residential care homes based on findings of a rate study conducted by DHS' Med-QUEST Division's (MQD) consulting actuaries and submitted to the Legislature prior to the 2023 Legislative session. The rate study included increases for Level 1 and Level 2 acuity and varied by Oahu and Neighbor Islands. That rate study presented

three options for levels of funding – Low, Medium, and High. The Low option was funded by the Legislature, which increased the Level 1 and Level 2 per diem rates for both Oahu and the Neighbor Islands. The Department of Health’s Developmental Disabilities Division has also conducted rate studies recently, and DHS defers to them regarding any rate increases.

MQD requests clarification as it is not clear how the \$3,824 amount was derived, making it difficult to project the increase from current per diem rates. The proposed \$3,824 per client per month rate that is the bill’s intended increase roughly calculates to a \$126 per diem rate, which would be significantly higher than any per diem rate in the recent rate study. For background information, when referring to the original rate study, additional funding totaling \$35 million (\$14.3 million state funds/\$20.7 million federal funds) would be needed to fund the High option.

DHS respectfully requests that this program and appropriation not conflict with, reduce or replace priorities identified in the executive budget.

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



1001 Bishop Street | Suite 625 | Honolulu, HI 96813-2830
1-866-295-7282 | Fax: 808-536-2882
aarp.org/hi | aarphi@aarp.org | twitter.com/AARPHawaii
facebook.com/AARPHawaii

The State Legislature
Senate Committee on Health and Human Services
Wednesday, February 5, 2024
Conference Room 225, 1:00 p.m.

TO: The Honorable Joy San Buenaventura, Chair
FROM: Keali'i Lopez, State Director, AARP Hawai'i
RE: Support for S.B. 1564 Relating to Medicaid

Aloha Chair San Buenaventura 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 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports S.B. 1564 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, adult day care 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.

SB-1564

Submitted on: 2/4/2025 9:19:47 AM

Testimony for HHS on 2/5/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
MARFE RETUNDO	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Marfe Retundo. As a Caregiver and owner of Adult Foster Home here in Big Island. i wanted to express, of supporting this bill SB1564. We as a caregiver and taking care of our Kupuna, i think its time we have an increased of our pay. Especially with all the increase in the economy, and more in groceries. Thank you for all the time you give us today to hear our testimony. We really apprieacte you guys time and have great day everyone.

Mahalo,

Marfe Retundo

SB-1564

Submitted on: 2/3/2025 3:23:55 PM

Testimony for HHS on 2/5/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
loriella fiesta	Individual	Support	Written Testimony Only

Comments:

To whom it may concern,

As a fellow caregiver our job never gets easy and with economy rising we are still being drag under the bus unappreciated. We hope and pray you take care of us as good as we take care of our clients.

Mahalo!

SB-1564

Submitted on: 2/3/2025 3:06:04 PM

Testimony for HHS on 2/5/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Elisha Joy Tenorio	Individual	Support	Written Testimony Only

Comments:

Increasing funding for home and community-based services, such as adult day programs and residential services offered in community care foster family homes and expanded adult residential care homes, will have a positive impact on us caregivers.

I understand that this may not be feasible immediately, but I hope we can find a solution that fairly compensates our efforts, aligns with the budget, and meets our goals.

As caregivers, we work tirelessly 24/7 to provide the best services possible to our residents. We more than deserve an increase in funding for our community and the services we provide.

SB-1564

Submitted on: 2/3/2025 2:16:31 PM

Testimony for HHS on 2/5/2025 1:00:00 PM

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

Comments:

I support this bill because I believe that it needs to increase the funding of Medicaid home and communitybased services.

SB-1564

Submitted on: 2/4/2025 6:18:24 AM

Testimony for HHS on 2/5/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Helen Sumoba Sapla	Individual	Support	Written Testimony Only

Comments:

In support of SB 1564

SB-1564

Submitted on: 2/3/2025 9:20:14 PM

Testimony for HHS on 2/5/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cecilia Gancinia	Individual	Support	Written Testimony Only

Comments:

As an operator of foster care home I would like to support this bill and ask for an increase in our services and room and board. Thank you for reading my testimony..

SB-1564

Submitted on: 2/3/2025 7:49:15 PM

Testimony for HHS on 2/5/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rachel S Castro	Individual	Support	Written Testimony Only

Comments:

Caregivers work so hard taking care of disabled person 24/7, I believe that caregivers deserve to increase the funding of Medicaid home and community based services,