

ACT 380

H.B. NO. 64

A Bill for an Act Relating to Long Term Care.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that experts in the field of long term care and elders themselves have long advocated community-based approaches as the preferred method of providing long term care to the broadest spectrum of persons with functional limitations.

In light of Hawaii's high longevity rate, there is a growing number of persons in need of long term care, and because government-provided long term care services cannot be expected to meet the current and anticipated demand for these services, an active state role in encouraging more private sector involvement would not only help ensure the availability, appropriateness, and accessibility of community-based services, but could assure the quality of such services offered.

The legislature further finds that matters related to elderly care fall under the aegis of the executive office on aging, which is designated by law as the state agency responsible for programs affecting older adults in this state.

The purposes of this Act are to:

- (1) Establish a long term care service development fund providing grants to promote the establishment, reorganization, or expansion of businesses and nonprofit corporations offering community-based long term care services on a fee-for-service basis;

- (2) Appropriate funds for the Hawaii capital loan program to make loans to promote the establishment, reorganization, or expansion of businesses offering community-based long term care services on a fee-for-service basis;
- (3) Conduct a study to determine methods by which the private sector can more effectively participate in the provision of community-based services; and
- (4) Provide for training and business plan development, including, but not limited to, workshops assisting providers on the development of their business plans, assistance with applications for grants and loans, business management training, and other types of training.

SECTION 2. Chapter 321, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§321- Long term care service development fund established. There is established in the treasury of the State a special fund to be known as the long term care service development fund, which shall be administered by the executive office on aging to provide grants to promote the establishment, reorganization, or expansion of businesses and nonprofit corporations offering community-based long term care services on a fee-for-service basis and to provide funding for training and business plan development, including, but not limited to, workshops assisting providers on the development of their business plans, assistance with applications for grants, business management training, and other types of training."

SECTION 3. The executive office on aging, in consultation with the department of business and economic development, shall conduct a study to determine the methods by which the private sector can more effectively participate in the provision of community-based services. The study shall provide a financial analysis of the community-based long term care industry on an industry-wide basis and by industry segments, such as in-home respite care and day health care. The industry segment analyses shall include, for each segment, an analysis of internal financial needs, such as insurance and staffing. The study shall develop information on an industry-wide basis and for each segment of the industry that can be used to estimate start-up costs and operating expenses; this study shall also recommend how the funds can best be allocated to maximize the number of service providers in each industry segment.

The executive office on aging shall submit a report of its findings and recommendations to the legislature at least twenty days before the convening of the regular session of 1990.

SECTION 4. The executive office on aging shall adopt rules pursuant to chapter 91 for the purposes of administering the long term care service development fund and shall report to the legislature on the activities undertaken pursuant to this Act not less than twenty days prior to convening of Regular Sessions of 1990 and 1991.

SECTION 5. In accordance with Section 9 of Article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriations contained in this Act will cause the state general fund expenditure ceiling for fiscal year 1989-1990 to be exceeded by \$2,000,000, or 0.085 per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriations made in this Act are necessary to serve the public interest and to meet the needs provided for by this Act.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000, or so much thereof as may be necessary for fiscal year 1989-1990, to be used as follows:

- (1) For deposit into the long term care service development fund; \$800,000
- (2) For training and assistance in business plan development; \$100,000
- (3) For a study to recommend long term care business development methods and perform analyses of the community-based long-term care industry. \$50,000
- (4) For staffing and operating expenses. \$50,000

The sum appropriated shall be expended by the executive office on aging for the purposes of this act.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000, or so much thereof as may be necessary for fiscal year 1989-1990, to be deposited into the Hawaii capital loan program to promote the establishment, reorganization, or expansion of businesses offering community-based long term care services on a fee-for-service basis. The sum appropriated shall be expended by the department of business and economic development for the purposes of this Act.

SECTION 8. New statutory material is underscored.¹

SECTION 9. This Act shall take effect on July 1, 1989.

(Approved June 26, 1989.)

Note

1. Edited pursuant to HRS §23G-16.5.