



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

March 13, 2025

The Honorable Representative Lisa Marten, Chair
House Committee on Human Services and Homelessness
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Marten and Committee Members:

SUBJECT: SB298 SD1 Relating to Human Services

The Hawaii State Council on Developmental Disabilities **SUPPORTS SB298 SD1**, which appropriates funds to be expended by the Department of Human Services to increase funding for Medicaid in-home services. Effective 12/31/2050. (SD1)

For many people with disabilities, receiving support in their own homes allows them to maintain their independence and actively participate in their communities. However, inadequate Medicaid reimbursement rates have created a crisis in the home care workforce, making it difficult to recruit and retain caregivers. According to the 2022 actuarial study by Milliman, wages for direct care workers in home settings fall below the 25th percentile for comparable positions, leading many to leave the profession for higher-paying jobs. This has resulted in significant gaps in service availability, forcing some individuals into institutional facilities—not because they require that level of care, but because they lack access to in-home support.

Institutional care is not only more restrictive but also more expensive. The cost of keeping individuals in long-term care facilities far exceeds the cost of providing them with home-based support. Redirecting funds toward caregivers ensures that more individuals can receive personalized, cost-effective care while reducing the financial burden on the state. SB298 SD1 takes a fiscally responsible approach by increasing Medicaid reimbursement rates for in-home services, leveraging federal matching funds, and ensuring that resources are used where they are most effective—directly supporting the individuals who need care. By passing SB298 SD1, Hawai'i will take an important step toward strengthening its system of care for people with disabilities. This bill aligns with the values of independence, self-determination, and inclusion, ensuring that individuals receive the right level of support in their homes rather than being placed in institutions due to a lack of alternatives.

Thank you for the opportunity to submit testimony in **support of SB298 SD1**.

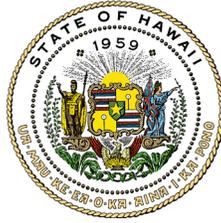
Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus
Executive Administrator

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH S. FINK, M.D., MGA, MPH
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KA LUNA HO'OKELE



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HONOLULU, HAWAII 96813-2831

Testimony in SUPPORT of SB298 SD1
Relating to Human Services

COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS
REP. LISA MARTEN, CHAIR
REP. IKAIKA OLDS, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: March 13, 2025
10:00 A.M.

Room Number: 329
Via Videoconference

EOA's Position: The Executive Office on Aging (EOA), an attached agency to the Department of Health, **supports SB298 SD1.**

Fiscal Implications: Appropriates funds for SFY 2025-2026 and the same sum for SFY 2026-2027 to be expended by the Department of Human Services (DHS).

Purpose and Justification: The purpose of this bill is to appropriate funds to increase funding for Medicaid in-home services, conditioned on the DHS obtaining maximum federal matching funds and pursuing all other funding sources. Medicaid in-home services allow older adults and individuals with disabilities to live independently and remain in their home rather than in institutional care. These services improve the quality of life for older adults and individuals with disabilities by helping with bathing, dressing, toileting, medication reminders, meal prep/cooking, chores, transportation, and other activities.

Despite the valuable work that in-home care workers provide they are often paid low wages and have few opportunities for training or career advancement. As a result, recruitment for these jobs is low and the turnover rate is high. This has contributed to the workforce shortage, limiting the capacity of providers and often causing them to shut down. Increasing funding for Medicaid in home services will increase rates for service providers, enabling them to pay care workers higher wages.

Medicaid in-home care services are also cost effective by keeping individuals out of costly institutions, reducing healthcare expenditures for the state. Increasing funding for Medicaid in-home services is an important investment that will improve the quality of life for older adults and individuals with disabilities, value and build the workforce, and be cost effective.

Recommendation: EOA supports this measure and defers to DHS on its implementation.

Thank you for the opportunity to testify.

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

March 11, 2025

TO: The Honorable Representative Lisa Marten, Chair
House Committee on Human Services & Homelessness

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 298 SD1 – RELATING TO HUMAN SERVICES.**

Hearing: Thursday, March 13, 2025, Time 10:00 a.m.
Conference Room 329 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the measure and offers comments. DHS respectfully requests that this program and appropriation not conflict with, reduce, or replace priorities identified in the executive budget. Further, DHS requests that any increases be appropriated through the executive budget, and not a bill so that the increases can be included in DHS base budget.

PURPOSE: The purpose of this bill is to make an appropriation to increase funding for Medicaid in-home services. Effective 12/31/2050. (SD1)

The Senate Committee on Health and Human Services amended this measure by:

- (1) Deleting language that would have required the Department of Human Services to:
 - (A) Obtain the maximum federal matching funds available for this measure's proposed expenditure; and
 - (B) Pursue all funding sources known to the State, including private grants, prior to expending any general revenues appropriated pursuant to this measure; and
- (2) Inserting an effective date of December 31, 2050, to encourage further discussion.

DHS appreciates the SD1 amendments and the the intent to provide increased funding to DHS to raise rates for the provision of Home and Community Based In-Home services. We note that these services are to help with personal care or chore services that assist with daily living activities such as meal preparation, cleaning, and bathing, usually provided by trained home-care workers and aides. These services help individuals live in the community or in their own homes instead of in institutional (e.g., nursing facility) care.

DHS previously worked with our actuaries and completed rate studies for various Home and Community Based Services (HCBS), including In-Home Services, which were submitted to the Legislature prior to the 2023 legislative session (Senate Resolution 4 Senate Draft 1 Requesting The Department Of Human Services To Study The Feasibility Of Increasing The Medicaid Reimbursement Rates For Community Care Foster Family Homes, Expanded Adult Residential Care Homes, And Other Types Of Home And Community Based Service Care Providers And Services; and a Rate Study Addendum). Three scenarios were modeled at “low,” “medium,” and “high” level increases. In the last two legislative sessions, the Legislature did provide funding to increase the rates for all of the other Home and Community Based services at the “low” scenario level.

DHS agrees that increased rates are necessary and that without increases, it will become increasingly difficult to find personal care workers needed for our kupuna and individuals with disabilities wishing to remain living in their own homes. If people cannot remain in their own homes, they will likely need more support in a more costly setting such as a nursing facility or other community residential setting. For this reason, the executive budget includes a request for increases for In-Home services for a total of (\$23.8M- \$14.06M N funds.) The state general fund appropriation of \$9.74M has already been allocated in Med-QUEST Division’s (MQD) Health Care Payments budget to cover the increase at the “low” scenario level.

DHS notes that possible reductions to federal funding levels for the Medicaid program would impact our ability to execute programs at current levels and may make the execution of the changes proposed in this bill difficult or impossible to accomplish.

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



DISABILITY AND COMMUNICATION ACCESS BOARD

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March 13, 2025

TESTIMONY TO THE HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS

Senate Bill 298 SD1 – Relating to Human Services

The Disability and Communication Access Board (DCAB) supports Senate Bill 298 SD1 – Relating to Human Services. This bill appropriates funds to be expended by the Department of Human Services to increase funding for Medicaid in-home services. Effective 12/31/2050. (SD1)

Many Medicaid recipients prefer to age in place. Hawaii does not have enough community care foster family homes and expanded adult residential care homes and the gap is growing as the population ages. This bill would assist those who prefer to age in place and keep them out of more expensive nursing facilities.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW
Executive Director



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The State Legislature
House Committee on Human Services and Homelessness
Thursday, March 13, 2025
Conference Room 329, 10:00 a.m.

TO: The Honorable Lisa Marten, Chair
FROM: Kealii Lopez, AARP State Director
RE: Support for S.B. 298, SD1 Relating to Human Services

Aloha Chair Marten 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 impact 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. 298 SD1 which appropriates funds to increase funding for Medicaid in-home services.

This bill increases funding specifically for home health care services, ensuring that elderly and disabled individuals can receive high-quality care in the comfort of their homes. Furthermore, by providing more financial resources, this bill helps improve compensation and support for caregivers, recognizing their crucial role in the healthcare system.

Home health care can be more cost-effective than institutional care, reducing overall healthcare costs while maintaining high standards of care. These services support kupuna to age in their homes and community.

Thank you for the opportunity to support this legislation that will the benefit of Hawaii's kupuna and their caregivers.

SB-298-SD-1

Submitted on: 3/11/2025 10:27:34 AM

Testimony for HSH on 3/13/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Hawaii Self Advocacy Advisory Council	Hawaii Self advocacy Advisory Council	Support	Written Testimony Only

Comments:

The Hawaii Self-Advocacy Advisory Council is in support of SB298 SD1.

SB-298-SD-1

Submitted on: 3/11/2025 6:06:35 PM

Testimony for HSH on 3/13/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Deanna Espinas	Individual	Support	Written Testimony Only

Comments:

Pkease support SB298 to fund Medicaid in-home services. Thank you.