



DISABILITY AND COMMUNICATION ACCESS BOARD

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February 27, 2025

TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

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



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

February 27, 2025

The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator Dela Cruz 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,

Daintry Bartoldus
Executive Administrator

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
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TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 25, 2025

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Ryan I. Yamane, Director

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

Hearing: Thursday, February 27, 2025, Time 10:30 a.m.
Conference Room 211 & 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 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 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 any reductions to federal funding levels for the Medicaid program will 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.



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The State Legislature
Senate Committee on Ways and Means
Thursday, February 27, 2025
Conference Room 211, 10:30 a.m.

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

Aloha Chair Dela Cruz 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 kūpuna and their caregivers.

SB-298-SD-1

Submitted on: 2/21/2025 8:38:49 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy D Moser	Individual	Support	Written Testimony Only

Comments:

In SUPPORT of SB 298 SD1.

Aloha Chair and members of the Committee,

Please vote YES on this measure.

Nancy Moser in Waikoloa on Hawai'i Island

To: Senator San Buenaventura, Chair Senate Committee on Health and Human Services

Bill: SB298 SD1

Hearing: February 27, 2025

Time: 10:30 a.m.

Location: Conference Room 211 & Via Videoconference, State Capitol

Aloha Senator Buenaventura and Committee Members,

I am currently a full time student who is working towards receiving her bachelor's in the field of social work. I am testifying in support of the bill SB298 SD1 which appropriates increased funds towards Medicaid in-home services. My grandmother currently runs her own care home for many of the kupuna within the community, however, many of them are disheartened to leave behind their homes in order to receive long term care. For them, their homes provide them with a sense of comfort and allow them to feel a sense of independence as they are growing older. When they are taken out of their homes, they are faced with hard transitions in which I have seen firsthand how confusing and sad the situation can be for them. Although private care homes are important for the prolonged care of our kupuna, they should be allowed the option and opportunity to receive services that provide that same type of care within the comfort of their own home.

Redirecting the funds towards at-home care services ensures that our kupuna can receive more-personalized care without having to leave their homes. Our kupuna should be able to have the choice in receiving at-home support without having to think about alternatives that will cause drastic changes for their daily lives. By passing bill SB298 SD1, it will alleviate many stressors for our kupuna and will give them a sense of independence as they navigate their way through

various health related issues. It will also make it easier for them to be surrounded by things that they are familiar with and will impact their lives positively.

Thank you for providing me with this opportunity to submit testimony in support of SB298 SD1.

Cherielene Cosme

SB-298-SD-1

Submitted on: 2/25/2025 8:37:13 PM

Testimony for WAM on 2/27/2025 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kanoe George	Individual	Support	Written Testimony Only

Comments:

Senator Donovan M. Dela Cruz, Chair

Senator Sharon Y. Moriwaki, Vice Chair

Senate Committee on Ways and Means

SB 298 – RELATING TO HUMAN SERVICES.

2/27/25 10:30 AM

Conference Room 211 & Videoconference

Aloha, my name is Kanoe George. I am a social work student at the University of Hawai‘i at Mānoa, and I am providing individual testimony in strong support of SB298.

This bill is deeply personal to me, as I have witnessed firsthand the challenges families face to ensure their loved ones receive the care they need while remaining at home. I think of two kupunas in my life as I write this testimony. The first is my grandmother, who, due to the high costs of in-home care, has been unable to age in place with family. While we would have loved to care for her at home, the financial burden has made it an unfeasible option. The second is my grandmother-in-law, who has been able to age in place but is now facing declining health and in need of more daily care.

End-of-life planning is overwhelming for most families, filled with high emotions and tough financial decisions. Providing families with an option for affordable in-home care would ease this burden and allow Kupuna to remain in familiar and loving environments. Studies

consistently show that aging in place improves mental and physical health outcomes for older adults while being more cost-effective than institutional care.

Beyond the personal impact, SB298 is also an economic investment in Hawai'i's future. Home care is significantly more affordable than institutional care, reducing overall Medicaid expenditures while improving health outcomes. Increasing Medicaid funding for in-home care services also strengthens the local workforce by ensuring caregivers receive fair wages. The recent actuarial study by Milliman, commissioned by the Med-QUEST division of the Department of Human Services, found that salaries for in-home care providers in Hawai'i lag significantly behind competitive job markets. Without proper reimbursement rates, these essential services remain unsustainable, leading to workforce shortages and limiting access to care for those who need it most. By raising wages and stabilizing the home care industry, we provide better care for Kupuna, support local job growth, and keep more money circulating in Hawai'i's economy.

By passing SB298, Hawai'i can honor our Kupuna and strengthen our economy by ensuring they receive the dignified care they deserve in the comfort of their homes. I urge you to support this bill and help provide families with the resources to care for their loved ones without financial devastation.

Thank you for the opportunity to provide testimony. Mahalo for your time and consideration.

Kanoe George

Kihei, Maui

Senator ANGUS L.K. MCKELVEY (District 6)

House Representative TEREZ AMATO (District 11)

Milliman Actuarial Study on Med-QUEST Reimbursement Rates

Milliman, Inc. (2022). Hawai'i Med-QUEST division reimbursement rate study. Commissioned by the Hawai'i Department of Human Services.