



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-SECOND LEGISLATURE, 2023**

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**ON THE FOLLOWING MEASURE:**  
H.B. NO. 838, RELATING TO LONG-TERM CARE.

**BEFORE THE:**  
HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS

**DATE:** Wednesday, February 8, 2023      **TIME:** 9:45 a.m.

**LOCATION:** State Capitol, Room 329

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Candace J. Park, Deputy Attorney General

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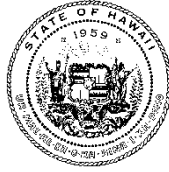
Chair Belatti and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of the bill is to re-establish the long-term care commission to identify further-needed reforms of the long-term care system, research program changes and resources necessary to meet the State's long-term care public policy goals, and explore an array of funding options that may help support the provision of long-term care services in the future.

Section 6 of article X of the Hawai'i State Constitution gives the Board of Regents of the University of Hawai'i "exclusive jurisdiction over the internal structure, management, and operation of the university." Section 6 further provides: "[t]his section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern." If the Committee decides to pass this bill, we recommend an amendment that adds a statement identifying this bill as a law of statewide concern.

Thank you for the opportunity to provide these comments.



**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
**STATE PROCUREMENT OFFICE**

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TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
HEALTH & HOMELESSNESS  
February 8, 2023; 9:45 a.m.

House Bill 838  
RELATING TO LONG TERM CARE

Chair Belatti, Vice Chair Takenouchi, and members of the committee, thank you for the opportunity to submit testimony on House Bill 838. The State Procurement Office (SPO) provides comments on the 103D exemption language on page 7, SECTION 2, LINES 2 – 6.

“...Any contract executed pursuant to this subsection shall be exempt from chapter 103D, Hawaii Revised Statutes; provide that any such contract is approved by the commission in an open meeting.”

The SPO objects to the procurement exemption and testifies that third party contracts for this program should be competitively procured. Exemptions to the procurement code have always been a concern by the SPO. As pointed out in the National Association of State Procurement Officials (NASPOS) white paper on “Ethics and Accountability”, “Maintaining the integrity of public procurement is one of the most important pillars of government.”

Chapter 103D, Hawaii Revised Statutes, Hawaii Public Procurement Code (Code), is the State's single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure, and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both Chapter 103D and 103F, HRS, conveys a sense of disproportionate equality in the law's application.

Exemptions to the Code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning, or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials states that "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies are removed from the Hawaii Public Procurement Code, it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.

# THE KŪPUNA CAUCUS



Feb 6<sup>th</sup> for HLT\_02-08-23

**TO: COMMITTEE ON HEALTH & HOMELESSNESS**

**Rep. Della Au Belatti, Chair**

**Rep. Jenna Takenouchi, Vice Chair**

**CONCERNING: HB1031 (Penalties Unlicensed Care Homes), HB914 (Health), HB872 (Healthy Aging Partnership), HB278 (Relating to Health), HB838 (Relating to Long Term Care)**

**POSITION: Full Support**

Aloha Chair Belatti, Vice Chair Takenouchi, and Members of the Committee

The Kupuna Caucus of the Democratic Party of Hawaii supports the bills listed above.

The Caucus feels strongly that any measures which prevent Kupuna from being placed in an unlicensed care home, either willingly or unwillingly should be passed. Too many people take advantage of Kupuna in so many ways, their care and wellbeing should be one of the States most important concerns.

Along those lines, Long Term Care is becoming one of the most important issues for all Kupuna and their families all over the country as well as here in Hawaii. As the population of our nation ages and the birth rates go down the issue of long term care for our elders is affecting us all. This is of special concern to those Kupuna who have little or no family, and/or limited finances. Homelessness is sad enough, but a homeless Kupuna is one of the most heartbreaking sights in our state. This is not consistent with the Hawaiian cultural traditions for Kupuna.

Keeping Kupuna as healthy as possible requires the coordination of many services and departments so any bills which assist those efforts are very necessary.

Finally, Alzheimer's disease is one of the most tragic disabilities that can affect any human being. When it happens to a mother or father the family is forced to watch their beloved elder slowly wither away into a state of confusion and loss. When people are ignorant of the symptoms or the possible progress it can be a devastating shock.

Please vote to pass these bills.

Martha Randolph for The Kupuna Caucus



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**The State Legislature**  
**House Committee on Health and Homelessness**  
**Wednesday, February 8, 2023**  
**Conference Room 329, 9:45 a.m.**

TO: The Honorable Della Au Belatti, Chair  
RE: Support for H.B. 838 Relating to Long Term Care

Aloha Chair Belatti 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 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

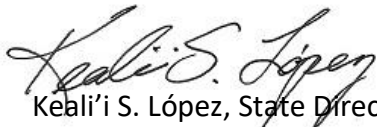
**AARP Supports H.B. 838** which re-establishes the long term care commission to identify further needed reforms of Hawaii's long-term care system.

Back in 2008, AARP played a key role in establishing the initial Hawaii long term care commission that was tasked to address the state's long term care system. A report was submitted to the legislature in 2012 with recommendations to improve and strengthen it. Since then the state long term care system has evolved over the last 10 years, particularly with the expansion of home and community based services (HCBS), and the impact of COVID has certainly revealed new challenges and opportunities. We are also facing a health care workforce shortage especially in the long term care industry that continues to be challenging as the demand for more care increases with our aging population. We support this initiative that will provide an update on the current state of our long term care system, look at new trends and explore more options in long term financing and services, and recommend additional system improvements that are needed.

AARP respectfully recommend that when the commission is formed that there are representation from the home and community based service providers and/or organizations, and others who represent the voices of the care recipient and family caregivers.

Thank you very much for the opportunity to testify in support for **H.B 838**.

Sincerely,

  
Keali'i S. López, State Director



**February 8, 2023 at 9:45 am**  
**Conference Room 329**

**House Committee on Health and Homelessness**

To: Chair Della Au Belatti  
Vice Chair Jenna Takenouchi

From: Paige Heckathorn Choy  
Associate Vice President, Government Affairs  
Healthcare Association of Hawaii

Re: **Support**  
**HB 838, Relating to Long-Term Care**

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.

Thank you for the opportunity to **support** this measure, which would re-establish the Long-Term Care (LTC) Commission at the University of Hawaii to better understand what programs and resources will be needed to take care of Hawaii's increasingly aging population. Most importantly, this measure would consider what sources of funding and financial support might be needed to meet the demands that will be placed on the post-acute care sector in the near future.

Hawaii's population aged 75 and older is expected to double by 2045, which would mean that the number of seniors in this category would increase from 8% of the population to 15%. At the same time as this increased need for services will be felt, the nursing home industry will require more attention and resources to meet the demand. The pandemic was devastating for nursing homes in terms of finances and staffing. Just recently, the American Health Care Association released a report on the state of nursing homes in the country. The report found that the industry lost more than 210,000 workers—a nearly 15% decline in the overall workforce—due to burnout, retirements, or movement to other settings of care. Around 85% of nursing homes are facing moderate to high levels of staffing shortages, and nearly 100% have reported great difficulty in hiring staff.<sup>1</sup>

The future of the nursing home and post-acute care industry must be a priority for policy-makers in the state, and an LTC Commission that can help to provide innovative program ideas and sources of funding and labor can be an important part of that. We support any efforts by the state to support the post-acute care industry, especially as the population ages and demand grows.

Thank you for the opportunity to support this measure.

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<sup>1</sup> <https://www.ahcancal.org/News-and-Communications/Fact-Sheets/FactSheets/State-of-Nursing-Homes-Infographic.pdf>



HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS  
Representative Della Au Belatti, Chair  
Representative Jenna Takenouchi, Vice Chair

**Date:** February 6, 2023

**From:** Aubrey Olson

**Re: Testimony in Support for H.B. No. 838, Relating to Long-term Care**

**Position: SUPPORT**

Aloha Chair Belatti, Vice Chair Takenouchi and Members of the Committee,

My name is Aubrey Olson, I live in the West Hawai'i region of Hawai'i County and work as a social worker. I am also a graduate student at the University of Hawai'i at Mānoa. I strongly support H.B. 838, Related to Long-term Care.

As a social worker in the medical field I am regularly interacting with Kūpuna or disabled individuals who are in need of assistance with their daily activities, if not 24/7 care. Most health insurance plans do not provide coverage for private caregiver or nursing hours, and when they do, (for example with our state Medicaid plans), the hours are limited and finding an appropriate caregiver can be difficult. Furthermore, there are limited resources for Adult day care or similar programs that provide respite for families who care for their loved ones. The burden of being a sole provider for an individual needing care can certainly lead to physical and emotional burnout and sometimes, neglect.

I believe that the COVID-19 pandemic has significantly strained our healthcare system and has led to a shortage of qualified caregivers to provide in-home and respite care to individuals in need. Therefore it feels very appropriate that we reinstate the Long-term Care Commission and engage in thoughtful discussion on the current needs and potential of our long-term care system. My hope is that the commission will include representation from consumers and providers of long-term care services so as to identify feasible and equitable solutions, with a particular focus on those Kūpuna who wish to age in place.

I am asking the committee to please support H.B. No 838, for the betterment of our Long-term Care system.

Mahalo,

Aubrey Olson





# ‘ŌNAEHANA KULANUI O HAWAII

## Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
House Committee on Health & Homelessness  
Wednesday, February 8, 2023 at 9:45 a.m.

By

Denise Eby Konan, Dean  
College of Social Sciences

And

Michael Bruno, Provost  
University of Hawai'i at Mānoa

#### HB 838 – RELATING TO LONG-TERM CARE

Chair Belatti, Vice Chair Takenouchi, and Members of the Committee:

The College of Social Sciences (CSS) supports the intent of HB 838. We suggest that the focus of the commission be changed to the Social Science Research Institute (SSRI) in the College of Social Sciences. SSRI would act as a convener/secretariat through our Health Policy Initiative, as we have a goal to establish a health policy institute.

This commission is in line with President Lassner's UHealthy initiative that brings components from across UH to support health outcomes in Hawai'i. It will build on existing CSS partnerships with Hawai'i State agencies including the Department of Health; Department of Human Services, and the Med-Quest Division. It would also deepen other partnerships with entities such as HMSA, Kaiser, Queens, and other health delivery partners.

We have strong interest and expertise to contribute within the College and across the university, including a dozen faculty with research interests in aging and long-term care; academic programs relevant to long-term care including Public Administration; Sociology; Certificate on Aging; Economics; and the Osher Lifelong Learning Institute. CSS will partner with other units across campus involved in long-term care including Center on Aging (School of Social Work and Public Health); JABSOM; and Nursing. The resources required to support the launch of this Commission would include a faculty specialist/program manager, graduate student assistants, and administrative support to encourage relevant research and report development.

The College of Social Sciences is committed to the vision and mission of this Commission and would be delighted to serve as the convener and administrator for the commission.

The University of Hawai'i supports the intent of this measure, provided that its passage does not replace, or impact priorities as indicated in the University's Board of Regents Approved Executive Biennium Budget.

Thank you for opportunity to provide testimony on HB 838.

Feb 8, 2023

TO: Rep. Della AuBelatti, Chair  
Rep. Jenna Talcenouchi, Vice Chair  
members of the Committee on Health and  
Homelessness

From: Caroline Cadirao  
Director, Executive Office on Aging

Re: HB 838 Relating to Long-term care

The Executive Office on Aging supports  
HB 838 Relating to Long-term care.

Mahealo:

Caroline Cadirao, Director, EOA