



SENATE COMMITTEE ON WAYS AND MEANS

Senator Rosalyn Baker, Chair

Conference Room 211

February 22, 2008 at 11:00 a.m.

Testimony in support of SB 2857 SD 1.

I am Coral Andrews, Vice President of the Healthcare Association of Hawaii, which represents the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to submit written testimony in support of SB 2857 SD 1, which requires all home care agencies to be licensed.

As the health care services sector evolves to respond to consumer demand we've seen growth in home and community based provider markets. More and more elderly and disabled people want to remain living in their homes rather than being institutionalized.

Health services provided in the home may include skilled and non-skilled services. Skilled care is typically provided by registered nurses. The agencies that employ them are known as home health agencies and are licensed by the State.

Home care agencies are differentiated from home health agencies in that they provide supportive services in the home. Examples of these services may include personal care services, companion services, social services, etc. All involve direct contact with the elder or disabled individual. Home care agencies are not licensed. The only requirement for operating a home care business in Hawaii is a general excise tax license.

Also, the similarity in the terms "home care" and "care homes" may be confusing. Care homes are licensed, so many people also believe, incorrectly, that home care agencies are licensed.

Home care services are adjunctive to other health services that residents receive. As such, ensuring a minimum level of competence of those providing these services is imperative.

Consumer safety is at risk. Since home care services are provided to frail and elderly consumers, we have an obligation to protect them from potential abuse, exploitation, and improper care. At a minimum, competence and criminal background checks of the providers of care should be established. Some home care agencies in the community are already aware of situations involving financial exploitation by other home care agencies, but there is no recourse for addressing these concerns unless a licensure system is established. It is vitally important to assure the public that home care services are safe.

This bill directs the Department of Health (DOH) to establish a licensure system that protects the health and safety of clients receiving services from home care agencies. Any home care agency that is not licensed will not be allowed to operate.

This bill has been needed for some time now to protect the many elderly and disabled people who receive home care. Any delay will only extend the potential for abuse at a time when the demand for home and community based services increases.

Please note that the definition of "home care agency" continues to be discussed among the bill's advocates, and an amendment to the definition may be requested later in the legislative process.

For the foregoing reasons, the Healthcare Association of Hawaii strongly supports SB 2857 SD 1.

SP 2857

LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

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In reply, please refer to:
File:

Senate Committee on Ways and Means

, SD1,

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

**February 21, 2008
11:00 a.m.**

1 **Department's Position:** The Department of Health supports the intent of this measure to license home
2 care agencies, but cannot support an appropriation outside the Executive Supplemental Budget.

3 **Fiscal Implications:** There is a general fund appropriation of \$107,000 for fiscal year 2008-2009 to
4 fund one position to support the home care agency licensing process.

5 **Purpose and Justification:** The department is in concurrence that agencies that provide home care
6 services to our vulnerable population (elderly and disabled) should be licensed to help ensure the safety
7 of individuals receiving such care in their residence. The department recognizes that regulation in and
8 of itself does not totally prevent abuse, neglect or exploitation; however, it would provide the
9 mechanism to monitor, report incidents, and take appropriate action as necessary.

10 Thank you for the opportunity to testify.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809

February 22, 2008

MEMORANDUM

TO: Honorable Rosalyn H. Baker, Chair
Senate Committee on Ways and Means

FROM: Lillian B. Koller, Director

SUBJECT: S.B. 2857, S.D. 1 - RELATING TO HOME CARE AGENCIES

Hearing: Friday, February 22, 2008, 11:00 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of S.B. 2857, S.D. 1 is to protect consumers of home care services by, (1) requiring home care agencies to be licensed by the department of health; and (2) appropriating funds for a position in the department to assist with licensure and monitoring of home care agencies.

DEPARTMENT'S POSITION: The Department of Human Services supports the intent of this bill which is meant to ensure that quality standards of care are being met by home care agencies.

Although the Department takes no official position, we strongly recommend that the existing language in this bill defining "home care agency" in section 321-____ (c) remain intact and unchanged.

""Home care agency"" means a public or proprietary agency, a private, non-profit organization, or a subdivision of such agency or organization, engaged in providing home care services to clients in the client's residence. This definition of home care agency shall not apply to an individual, even when the individual is incorporated as a business, an unpaid or stipended volunteer, nor to any home or community based service under the jurisdiction of the department of human services."

This language is important for the fact that it **exempts** licensure requirements by family members, neighbors, and friends who provide chore, personal care, and respite services for their loved ones including those individuals participating in the State Medicaid Waiver and Chore programs.

There is a strong likelihood that individuals who provide these services might be deterred from pursuing licensure requirements, since their interest in providing care is motivated out of their relationship with the client and not the pursuit of a professional career. Inevitably, this gap in care service would be extremely detrimental to the State.

Thank you for this opportunity to testify.