

THE SENATE
THE HOUSE OF REPRESENTATIVES
THE TWENTY-FOURTH LEGISLATURE
INTERIM OF 2008

JOINT LEGISLATIVE COMMITTEE ON AGING IN PLACE

Senator Les Ihara, Jr., Co-Chair
Representative Marilyn Lee, Co-Chair

NOTICE OF MEETING

DATE: Friday, November 7, 2008
TIME: 2:00 p.m.
PLACE: Conference Room 229
State Capitol, 415 S. Beretania Street

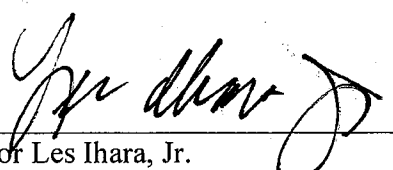
A G E N D A

The Joint Legislative Committee on Aging in Place will meet jointly with the Kupuna Caucus to receive updates reports and decide actions on the following agenda items:

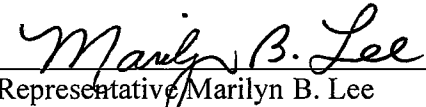
1. Availability of Durable Medical Supplies
2. Nurse Delegation of Medication Administration in Nursing Homes
3. Home Modification Task Force
4. Posting Results of Annual Inspections
5. Grandparents Raising Grandchildren Task Force Update
6. Family Leave Working Group Update

The purpose of the Joint Legislative Committee on Aging in Place, as stated in Act 285 (2006), is to develop a comprehensive public policy program to support family caregivers who provide unpaid, informal assistance to persons sixty and older with physical or cognitive disabilities. The Committee will consider providing support in categories including but not limited to: coordinated services and policies, training and education, respite services, financial incentives and balancing work and caregiving.

Persons who wish to submit testimony are asked to contact the committee clerk at 586-6250. All testifiers are requested to submit 45 copies of their testimony at least 24 hours before the meeting in room 220 at the State Capitol, or by fax to 586-6251. If you require special assistance or auxiliary aids or services to participate in the meeting (i.e., sign language interpreter, wheelchair accessibility, or parking designated for the disabled) please contact the committee clerk 24 hours prior to the hearing so arrangements can be made.



Senator Les Ihara, Jr.
Co-Chair



Representative Marilyn B. Lee
Co-Chair

PROPOSED HOME FOR LIFE TASK FORCE

“To reduce or eliminate physical barriers in the home environment thereby empowering people to remain in their own homes for as long as possible.”

HOME FOR LIFE TASK FORCE MISSION STATEMENT

GOALS:

1. Analyzing Codes, Laws and Regulations

- a. Review current state and county laws, building codes, subdivision requirements and other regulations;
- b. Recommend any changes and/or new legislation which would facilitate, encourage and support aging in place and multigenerational housing.

2. Empowering Homeowners with Existing Residences

- a. Identify common residential structural and design barriers that challenge independence
- b. Identify recommended modifications to overcome these barriers employing universal design principles
- c. Identify and list resources necessary to achieve successful modifications

3. Facilitating Home Modification Assessment

Develop a program to train teams to evaluate and recommend necessary home modifications based on the occupants' medical conditions. These teams will include representatives from the medical, architectural and construction professions.

4. Encouraging Industries Professionals

Encourage the proactive use of universal design principles in new construction and renovations by exploring a variety of incentives for the design and building industries.

5. Educating the Professionals and the Public

- a. Team students and the professional community with homeowners of existing homes to explore innovative options to identified home modification needs.
- b. Under university and industry auspices, showcase best practices in universal design and Home for Life goals with a display of projects, both actual and conceptual, that meets a list of identified standards. Additional education and outreach to the community provided through the organization of a traveling exhibit. Recommended venues include the annual BIA Homebuilding and Remodeling Expo, State-sponsored conference(s) and various shopping centers.

6. **Engaging the Community**

Recognizing the on-going challenges ahead, author agreements between concerned organizations to commit to taking action on issues which facilitate empowering people to remain in their homes for as long as possible.

PROPOSED TASK FORCE MEMBERS

- Building Industry Association Hawaii (BIA; local chapter of the National Association of Homebuilders and Remodelers)
- AARP Hawaii
- American Institute of Architects (AIA; Hawaii Chapter)
- American Society of Interior Design (ASID; Hawaii Chapter)
- Healthcare Association of Hawaii (HAH)
- American Occupational Therapists Association (AOTA; Hawaii Chapter)
- Project Dana
- State and county agencies that address planning and permitting of residential housing
- State and county agencies that address land use ordinances
- State and county agencies that address aging
- Disability and Communications Access Board (DCAB; State of Hawaii)
- UH Center on Disabilities Studies (CDS)
- UH School of Architecture (SoA)
- Interior Design Program; Chaminade University
- Graduate Nursing Program; Hawaii Pacific University

**Joint Legislative Committee on Aging in Place
in joint session with the Kupuna Caucus
Hawaii State Capitol, Room 229
Friday, October 10, 2008**

DRAFT MINUTES

Members Present: Senator Les Ihara, Jr. (Co-Chair); Representative Marilyn Lee (Co-Chair); Senator Suzanne Chun Oakland; Representative Corinne Ching

Members Absent: Senator Rosalyn Baker, Senator Gordon Trimble, Representative Karen Awana, Representative Joey Manahan

Others in Attendance: Audrey Kubota, Marc De Lorme, Sally Wehrsigg (Hawaii County Office on Aging), Alan Parker (Hawaii County Office on Aging), Wes Lum, Audrey Suga-Nakagawa (University of Hawaii Center on Aging), Merissa Hewett (National Federation of Independent Businesses), Pamela Cunningham (Executive Office on Aging), Tony Lenzer, Leeann Comfort (Senator Ihara's intern), Dexter Suzuki, Richard Bronsfield, Rose Nakamura (Project Dana), Tyrell Maae (Senator Chun Oakland's intern), Jacob (State Department of Taxation), Craig Yamaguchi (Elderly Affairs Division), Jody Mishan, John McDermott, Elvira Lee (Executive Office on Aging), Tanya Kueliki (Executive Office on Aging), TJ Davies (Kokua Council), Minjung Engle, Jo Reyes (Maui County Office on Aging), Charlyn Nakamine (Kauai Agency on Elderly Affairs), May Fujii Foo, Steve Chong (Hawaii Health Systems Corporation-Oahu Region), Mr. Turf (California Advisory Council on Aging), Cyndi Osajima (Project Dana), Anne Chipchase (Ohana Health Plan), Caroline Cadirao (Executive Office on Aging), Laura Manis (Kokua Council), Diane Stowell (Policy Advisory Board on Elder Affairs), Ann Freed (Sen. Baker's Office), Pat Urieff (Queen Liliuokalani Children's Center), Jason Ebore, Debbie Shimizu (National Association of Social Workers), Barbara Stanton (AARP), Valorie Taylor (Child & Family Services), Sharon Otagaki (National Association of Social Workers), Deborah Miyasaka-Gushiken (State Council on Developmental Disabilities), Debbie Jackson (Disability & Communication Access Board), Glenn Ida (Hawaii Teamsters Local 996), Peter Reyes (Catholic Charities), Christine Ann Akau (Department of Human Services), Norma Circle (Maui County Office on Aging), Heather Bolan (Senator Ihara's Office)

I. Call to Order/Welcome and Introductions

Senator Ihara and Senator Chun Oakland called the joint Joint Legislative Committee on Aging in Place (JLCAIP) and Kupuna Caucus meeting to order at 2:05 p.m. Introductions were made by persons in attendance.

The following handouts were distributed to the members and others in attendance:

- (1) copy of the Kupuna Caucus/JLCAIP agenda;
- (2) minutes of the September 5, 2008 JLCAIP meeting
- (3) minutes of the September 5, 2008 Grandparents Raising Grandchildren Task Force meeting
- (4) minutes of the September 12, 2008 Family Leave Working Group meeting
- (5) printout of the powerpoint presentation the Kupuna Care program
- (6) summary of testimony presented August 16, 2007 to the Joint Legislative Committee on Family Caregiving regarding Grandparents Raising Grandchildren

- (7) executive summary of the draft report on Respite Care in the State of Hawaii (members received the full draft report and accompanying data spreadsheets)
- (8) executive summary of the draft report on Respite Services for Grandparents Raising Grandchildren in Hawaii (members received the full draft report)
- (9) executive summary of the draft report on the Feasibility of Providing Consumer Directed services for Non-Medicaid Eligible Older Adults and Persons with Disabilities in the State of Hawaii (members received the full draft report)

II. Kupuna Care Program

Caroline Cadirao of the Executive Office on Aging presented a powerpoint presentation on the Kupuna Care Program: to provide Hawaii's older adults access to affordable and quality home and community based services that are client centered and family supported allowing them to live with independence and dignity. She outlined the eligibility criteria; reviewed statewide service levels, waitlists, and funding; and walked through various plans based on several potential funding scenarios for 2009. In summary: Kupuna Care service funds currently available for fiscal year 2009 are insufficient to maintain the level of services provided statewide in fiscal year 2008. If released, additional funds (\$525,000) appropriated by Act 204 (2007) for fiscal year 2009 will maintain current levels of services statewide and may prevent the projected shortfall (there are variations in the timing of the impacts in specific counties). If released, additional funds (\$500,000) appropriated by Act 11 (2008 Special Session) for fiscal year 2009 may serve as the vehicle for service expansion. Providers expect to meet reduction in funding by reducing services and/or reducing staff. In Hawaii County shortfalls have been experienced every year and this year they reallocated 2 staff to the Aging & Disability Resource Center. Maui County is running short and will cut back on services, and some new clients may have to be dropped. Kauai County is also short and expects some service providers to reduce staff. Honolulu County will also be cutting services and dropping people from lists.

A question was raised as to voluntary contributions. Those already contributing are maintaining their contributions but they are receiving fewer services. Craig Yamaguchi reported that in the past, when fees were charged, resources had to be used for debt collection, so the decision was made to change to a voluntary system.

III. Aging and Disability Resource Center Update

Audrey Suga-Nakagawa, State Coordinator, provided an update on the Aging and Disability Resource Center (ADRC). The ADRC is a "one-stop-shop" for long term care information and options. \$800,000 was provided over a three year period to streamline access to unbiased information featuring a full range of long term care options and services through integrated or closely coordinated: (1) intake, (2) assessment, (3) eligibility screening and determination, (4) information counseling, and (5) county partners. There are two models: a virtual model in Honolulu and a physical model in Hilo.

The virtual model includes a more robust internet website than the one the Honolulu Elderly Affairs Division is currently using and is being designed by a Kauai Elderly Affairs Division technician. The new website template will be available to all counties, but Honolulu and Kauai will be able to go active at the same time. The virtual model also provides free information, utilizes partnerships, and includes a telephone helpline for those who do not have internet access.

In Hilo, "Kahi Mālama" located at 1055 Kinoole Street in Hilo is scheduled for public opening on November 14, 2008. It will fulfill Mayor Harry Kim's vision of a central site where people feel safe and comfortable finding help to care for aging family members. There will be related programs and agencies sharing the building. A second floor is still a work in progress, and it is hoped will provide space for even more related service agencies.

There is still \$230,000 that can be released for ADRC and requests for release are in progress. Future plans include setting up a satellite site at Kahuku Medical Center, a satellite site in Kona, and expanding services.

IV. Grandparents Raising Grandchildren Task Force Update

Task Force Co-Chair Pat Urieff reported that some of the task force appointees have not been participating leaving questions for their agencies unanswered. One subject may be answered by testimony presented at a legislative hearing. (Senator Ihara's office will assist in getting a copy of the testimony.) Pat will email specific questions to the JLCAIP Co-Chairs who will provide assistance in obtaining responses from appropriate agencies.

V. Family Leave Working Group Update

Wes Lum reported that he was elected chair of this work group. To date they have determined the scope of work and expect to continue with information gathering.

VI. Cash and Counseling Project Update

Dr. Pam Arnsberger of the University of Hawaii at Manoa School of Social Work reported that last June's draft plan is still being circulated for comment by the four county aging agencies and the ADRC. An advisory committee has been formed. All input will be summarized and attached for the November presentation to the committee. A draft report (Report on the Feasibility of Providing Consumer Directed services for Non-Medicaid Eligible Older Adults and Persons with Disabilities in the State of Hawaii) was provided to the committee and the draft executive summary was distributed to those in attendance.

VII. Respite Inventory Project Update

Dr. Arnsberger also presented a powerpoint presentation of the draft Respite Inventory report and the additional draft report on Respite Services for Grandparents Raising Grandchildren in Hawaii (the draft executive summary's were distributed to those in attendance). The reports conclude that affordable, flexible respite care is in short supply in Hawaii. The draft reports are currently being reviewed by the Executive Office on Aging.

VIII. Adjournment

The meeting was adjourned at 3:30 p.m.

2008/9 Kupuna Caucus Issues

- *INCREASE KUPUNA CARE PROGRAM BASE FUNDING
- *CASH & COUNSELING PROJECT
- *RESPITE CARE INVENTORY PROJECT; SERVICES
- *FAMILY LEAVE WORK GROUP
- *AGING & DISABILITY RESOURCE CENTER (ADRC)
 - use of public schools where enrollment is decreasing as potential ADRC sites
- *GRANDPARENTS RAISING GRANDCHILDREN TASK FORCE
- *2 POSITIONS FOR UH CENTER ON AGING, RESEARCH AND EDUCATION (CARE)
- *DEPT. OF AGING; CREATING A STANDING COMMITTEE ON AGING
- *ADULT PROTECTIVE SERVICES; FUNDING FOR POSITIONS FOR DHS
- *JOINT LEGISLATIVE COMMITTEE ON FAMILY CAREGIVING/AGING IN PLACE RECOMMENDATIONS
- *LONG-TERM CARE OMBUDSMAN EXPANSION
- *POSTING ANNUAL INSPECTIONS OF CARE HOMES/FOSTER HOMES ON THE INTERNET
- *HOME CARE LICENSING
- *AMEND NURSE DELEGATION ACT
- *HEALTHY AGING PARTNERSHIPS
- *LONG-TERM CARE COMMISSION
- *REVISIT CARE PLUS - ALTERNATE FINANCING SOURCES
- *LONG-TERM CARE PILOT: LEAHI HOSPITAL
- *PRE-NEED FUNERAL PLANS: CONSUMER PROTECTIONS
- *FAMILY ELDERCARE TAX CREDIT
- *PRESCRIPTION DRUG COST REDUCTION
 - identify independent entity to negotiate better prices for Hawaii's residents
 - I-SaveRX
- *EMERGENCY PREPAREDNESS
- *HOME MODIFICATION
 - tax credit
 - Universal Design
 - disaster preparedness
 - task force
- *INCREASE HOME EQUITY CEILING UP TO \$750,000 FROM \$500,000 IN MEDICAID PROGRAM
- *PEDESTRIAN SAFETY: \$3 MILLION IN GENERAL FUNDS; "COMPLETE STREETS"
- *STATE & FEDERAL PROCUREMENT PROCESS FOR ELDER SERVICES - EOA
- *CASE MANAGEMENT

Home Medical Equipment Briefing to the Joint Legislative Committee on Aging in Place

November 7, 2008

PURPOSE

- To raise awareness about the home medical equipment industry in Hawaii
- To discuss regulatory/payer changes impacting providers and consumers
- To raise awareness about consumer safety as it pertains to access and service of home medical equipment
- To take an active role in effecting a positive change to the home medical equipment industry in Hawaii

THE EVOLUTION OF THE HOME MEDICAL EQUIPMENT (HME) INDUSTRY

- **1970's** - Birth of HME (no government oversight until 1997 with the Balanced Budget Act)
- **1980's** - The 'Golden Age' of HME (reimbursements were adequate which led to an explosion of growth, mergers and acquisitions)
- **May 1982** - Formal Start of HME Industry: NADMEC and AIMES merge to form the National Association of Medical Equipment Suppliers (NAMES)

THE EVOLUTION OF THE HOME MEDICAL EQUIPMENT (HME) INDUSTRY

- **June 1988** - The Joint Commission on Accreditation of Healthcare Organizations (now referred to as the Joint Commission) publishes standards for the accreditation of home care providers.
- **1991** - The beginning of capped rentals/conversions to purchase
- **1992** - Formation of the durable medical equipment regional carriers (DMERC)

THE EVOLUTION OF THE HOME MEDICAL EQUIPMENT (HME) INDUSTRY

- **1997** - The Balanced Budget Act of 1997 (BBA) slashed home health care reimbursements so acutely that more than 70 percent of home health agencies didn't exist three years after the legislation's implementation.

HME is a part of the home health industry. The BBA cuts negatively impacted them as well.

THE EVOLUTION OF THE HOME MEDICAL EQUIPMENT (HME) INDUSTRY

The New Millennium

- **2006** - Maintenance of equipment is becoming a problem for consumers (limited access, additional costs). Cost shifting from payer to consumers is occurring.
- **2008** - Reimbursements continue to decrease; Economic pressures contribute to difficulty in accessing service and supplies
- **2009** - Mandatory accreditation is forthcoming.

HME SUPPLIERS: WHO ARE WE?

- In Hawaii, we are comprised of a few national chains but mostly small businesses.
- We provide standardized, "safe for home use" equipment and supplies that support care coordination with hospital discharges into the home setting. (Examples: post-operative equipment, home oxygen, wheelchairs, etc.)
- We provide the key link to enabling consumers to remain in their homes.

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HME CONSUMERS

WHO ARE THEY?

Keiki to kupuna, mobile or immobile,
acute care discharges, caregivers, etc.

HOW DO WE SUPPORT THEM?

- Enable consumers to stay in their homes and live independently through the use of HME
- Promote mobility thereby limiting hospitalization episodes
- Support patient safety efforts
- Support caregiver safety efforts
- Assist with care coordination
- Provide consumer education and training for home medical equipment and supplies
- Improve quality of life

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MEDICARE & MEDICAID

- Most HME providers service Medicare beneficiaries. Medicare supplier standards guide their practices.
- Medicare providers will be required to be accredited in 2009.
- Medicaid: There are no supplier standards for HME providers who participate in the Medicaid program (only a general excise license is required).

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MEDICARE CHANGES IMPACTING CONSUMERS

- Deductibles have been increasing over the past 3 years
- Non-covered benefits or transfer of ownership results in cost shifting (ex: capped oxygen rental after 36 months)
- Shift to Medicare HMO's is showing increases to patient cost share
- Maintenance/repairs of equipment: unassigned/non-assigned claim patient pays, patient gets reimbursed by Medicare (doesn't pay for repairs).

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MEDICARE CHANGES IMPACTING CONSUMERS

- If a company goes out of business, consumers can't get repairs:
 - Parts have huge costs
 - No allowables for freight
 - Cost of part does not cover cost
- Consumers need to shop around. (Ex: Ask questions about cost share, deductibles, coverage, etc.)

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MEDICAID

- Medicaid and Medicare operate differently
- We need to strive to streamline and standardize the prior authorization/discharge system to provide timely service to the patient.
 - Delays in prior authorizations are increasing which may compromise patient care.
Example: Delays in a Hoyer lift prior authorization may result in a patient not being turned or caregivers being injured.

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MEDICAID

- Eligibility Impacting Access to Services:
 - If the patient's eligibility is not updated in the QUEST system, then the supplier may not service.
 - Cost share information needs to be updated regularly.
 - Some items are not reimbursed by Medicaid adequately enough to cover provider's costs; therefore, providers won't supply (ex: elongated toilet seats, bath mats, grab bars, handheld shower hoses, etc.)

MEDICAID

- Medicaid would benefit from utilizing accredited providers to inhibit fraud and abuse. (Follow the Medicare standard.)
- As the volume of community-based patients grows, it's imperative that they are able to be serviced in a timely and consistent manner while insuring consumer protections.

CONSUMER EDUCATION

CONSUMER EDUCATION

- Fraud and abuse are driving industry changes from the top down.
- Consumers need to be educated about their medical benefits under each health plan. Many may not understand non-covered benefits.
- Growth in the number of Medicare HMO Plans contributes to consumer confusion.

INTERNET PRICING & TV ADS ARE DECEPTIVE!!!

- Freight costs will be added
- No servicing or troubleshooting available
- Difficulty getting in contact with company after purchase. (Ex: a consumer bought a power wheelchair after seeing a TV ad about this piece of equipment. It was shipped to Hawaii, without a home assessment, and the equipment didn't work upon arrival. The consumer called a local supplier and wanted the supplier to bill the local insurance company but the warranty is under the company who issued the equipment. The consumer hasn't been able to get through to the supplier on the Mainland.)
- Third party screeners/telemarketers focus on making a sale.

CONSUMER COST SHIFT TRENDS IN HAWAII

- Transfers of patients from one caregiver to another do not include a reimbursement to the HME supplier which generates a cost to the consumer.
- Electric bills continue to rise which increases the cost of running electrical home medical equipment. (Tax credit option?)

CONSUMER COST SHIFT TRENDS IN HAWAII

- Product quality is already being impacted as manufacturers and health plans are shifting to inferior products to save costs. (HME suppliers find that repairs are more costly than purchasing a quality product up front).
- Providers may need to turn away Medicaid business as a result of insufficient reimbursement that does not keep pace with increasing costs.

MOST FREQUENTLY UTILIZED HME ITEMS

- **Hospital beds**
- **Oxygen**
- **Wheelchairs**
- **Bathroom aids** (grab bars, shower chairs, commodes, raised toilet seats)
- **Patient lifts**
- **Mobility aids** (canes, walkers, crutches)
- **Respiratory** (CPAP, BIPAP, nebulizers, suction machines, trach supplies, ventilators)
- **Urological supplies** (incontinence)
- **Enteral feedings**
- **Infusion**
- **Rehabilitation** (customized power wheelchairs, customized seating)

COST SHIFT TRENDS TO SUPPLIERS

- Increasing freight costs (Matson and Horizon)
- Fuel surcharge
- Manufacturer and sales reps increasing costs to HME suppliers
- Regulated consumer pricing does not allow providers to capture these increases
- Can't bill Medicaid to make a trip to repair equipment for a Medicaid patient
- If pricing is not in the Medicaid system (but has Medicare allowables), Medicaid will not issue a payment if the equipment price is not in their system. Requires Medicare fee system updates.
- Delayed reimbursement

RECOMMENDED NEXT STEPS

NEXT STEPS

- Adopt Medicare standards for Medicaid
- Need clear guidelines for those things Medicaid will cover but Medicare does not
- Establish minimum timeframes for servicing the Medicaid consumer
- Discuss the role that the ADRC will play in consumer education about HME
- Strive for a local contact for the fiscal intermediary to facilitate on-going liaison with HME suppliers

WRAP UP/ SUMMARY

- Request that the Joint Legislative Committee on Aging in Place assist us in convening interested parties to make progress on these issues. Stakeholders include legislative representatives, DOH, DHS, EOA, consumers (caregivers), community-based programs, DD/MR advocates, etc.
- Our collective goal is focused on timely access to services, appropriate reimbursement models for our services, and an environment that promotes consumer safety and access to information.

QUESTIONS?

HAF
Holding America
First