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In reply, please refer to:  
File:

**HOUSE COMMITTEE ON FINANCE**

**HB0704, RELATING TO HOME CARE AGENCIES**

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

**March 3, 2009  
4:00 p.m.**

1 **Department's Position:** The department appreciates the intent of this bill, but must respectfully  
2 oppose.

3 **Fiscal Implications:** At least one registered nurse (RN V) position would be required. Along with  
4 travel cost (mileage and neighbor island travel), annual expenses are expected to be approximately  
5 \$120,000.

6 **Purpose and Justification:** A new program cannot be added at the same time that established programs  
7 are being cut and other funding cuts may be required. A similar bill was supported by the department in  
8 the past, but the state's financial climate has changed requiring a rethinking of priorities and of  
9 establishing new programs.

10 Thank you for the opportunity to testify.

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR

HENRY OLIVA  
DEPUTY DIRECTOR

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

March 3, 2009

MEMORANDUM

TO: Honorable Marcus R. Oshiro, Chair  
House Committee on Finance

FROM: Lillian B. Koller, Director

SUBJECT: H.B. 704, - RELATING TO HOME CARE AGENCIES  
Hearing: Tuesday, March 3, 2009, 4:00 p.m.  
Conference Room 308, State Capitol

**PURPOSE:** The purpose of H.B. 704, is to protect consumers of home care services by requiring the licensure of home care agencies by the Department of Health.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) respectfully opposes this bill. To enact this bill into law at this time, it will require considerable general funds at a time when such funding is not available.

However, should funding become available in the future, we recommend that the authority to license these agencies be placed in the Department of Human Services, Adult and Community Care Services Branch, which has considerable expertise in monitoring these types of services through its history with the 1915(c) Medicaid Waivers and the Chore Program.

Additionally on Page 3, the Department strongly recommends that the language in this bill defining "home care agency" be replaced with the following language:

AN EQUAL OPPORTUNITY AGENCY

"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. The term "home care agency" does not apply to an individual, including an individual who is incorporated as a business, or is an unpaid or stipended volunteer, nor to any home and community-based service under the jurisdiction of the department of human services."

This language will exempt licensure requirements for senior service programs administered by DHS and 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 Home and Community-Based Program and the Chore Services Program. It also avoids an unnecessary expenditure for agencies that are providing personal assistance through DHS. These providers are already monitored and regulated by State agencies for quality and through criminal and protective service background checks.

Thank you for this opportunity to testify.

**TO :** COMMITTEE ON FINANCE  
Representative Marcus R. Oshiro, Chair  
Representative Marilyn B. Lee, Vice chair

**FROM:** Eldon L. Wegner, Ph.D.  
Policy Advisory Board for Elder Affairs (PABEA)

**SUBJECT:** **HB 704 Relating to Home Care Agencies**

**HEARING:** Tuesday March 3, 2009 4 pm  
Conference Room 308, Hawaii State Capitol

**PURPOSE:** Requires the Department of Health to license home care agencies.

**POSITION:** **PABEA supports HB 704.**

**RATIONALE:**

The Policy Board for Elder Affairs has a statutory obligation to advocate on behalf of the senior citizens of Hawaii. While we advise the Executive Office on Aging, we do not speak on behalf of the Executive Office of Aging.

PABEA supports HB 704 as a measure which would ensure that agencies providing home care services meet minimum standards related to the health, safety and welfare of consumers. We can expect that the reliance upon these agencies for assistance with long-term care will increase in the future. There is a need to assure an acceptable level of quality of care for the frail elderly they serve.

Thank you for allowing me to testify.

MAR-02-2009 21:30

The Twenty-Fifth Legislature  
Regular Session of 2009

HOUSE OF REPRESENTATIVES  
Committee on Finance  
Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair

State Capitol, Conference Room 308  
Tuesday, March 3, 2009; 4:00 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 704  
RELATING TO HOME CARE AGENCIES**

The ILWU Local 142 supports H.B. 704, which requires the Department of Health to license home care agencies. Sunsets 6/30/14.

As more elderly and disabled individuals desiring to stay in their own homes require home care provided by professionals and paraprofessionals, the home care industry is expanding and the need exists for monitoring of the agencies and individuals providing care to the elderly and disabled in their homes. Currently, many families using the services of home care agencies no doubt think that the industry is already regulated, but it is not. H.B. 704 provides for a temporary program to require the Department of Health to license home care agencies.

We believe such licensing and monitoring should be a permanent program, but we can understand current budgetary constraints. We also believe that any information about home care agencies, including reports on licensing and monitoring, should be prominently posted on a website and made available in written form to anyone inquiring about home care.

The ILWU urges passage of H.B. 704. Thank you for the opportunity to testify on this matter.



HOUSE COMMITTEE ON FINANCE  
Rep. Marcus Oshiro, Chair

Conference Room 308  
March 3, 2009 at 4:00 p.m. (Agenda #7)

### **Testimony in support of HB 704**

The Healthcare Association of Hawaii advocates for its member organizations that span 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 testify in strong support of HB 704, which requires all home care agencies to be licensed.

The mandatory licensure of home care agencies is designed to assure the public that the services provided by such agencies comply with appropriate standards. Without mandatory licensure, these assurances cannot be given.

Home care is a rapidly growing sector of the health care continuum. It is a cost-effective service for many individuals who are recuperating from a hospital stay and also for many who, because of a functional or cognitive disability, are unable to take care of themselves.

Elderly and disabled people increasingly prefer to remain living in their homes rather than being institutionalized. Home care reinforces and supplements care provided in the home by family members and friends, maintaining the recipient's dignity and independence.

Unfortunately, home care is often confused with other types of health care. Home health agencies are currently licensed by the Department of Health. Home health is directed by a physician and focuses on services provided by licensed professionals, such as registered nurses, physical and occupational therapists, and speech therapists.

On the other hand, the Department of Health does not license home care agencies. Home care services are consumer directed, focusing primarily on services provided by non-medical personnel, often called custodial care. Home care services include assistance with tasks of daily living such as bathing and meal preparation, laundry, light housekeeping, errands, shopping, transportation, and companionship.

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

Without licensure, the safety of those who receive home care is at risk, especially since home care is in many cases provided to frail and elderly consumers. Unlike in an institutional setting, the home care worker is often alone with the consumer of services.

The State has an obligation to protect consumers from improper care, exploitation, and abuse. At a minimum, the competence of home care agency employees should be established, and criminal background checks should be performed.

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 would 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 care is increasing.

For the foregoing reasons, the Healthcare Association of Hawaii strongly supports HB 704.



To: House Committee on Finance  
Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair

Date: March 03, 2009 - Conference Room 308 – 4:00 pm (Agenda #7)

Re: **HB 704, RELATING TO HOME CARE AGENCIES**

Chair Oshiro and members of the committee:

My name is Barbara Kim Stanton, State Director of AARP Hawaii, an advocacy organization that represents the interests of people age 50 and older, with nearly 160,000 members in Hawaii.

AARP strongly supports HB 704. The purpose of this bill is to protect consumers of home care services by requiring home care agencies to be licensed by the Department of Health and to appropriate funds for a position in the Department of Health to assist with licensure and monitoring of home care agencies.

The long-term services and supports (LTSS) industry is undergoing a major transformation. The number of people in nursing homes on a given day decreased from 1.63 million in 1999 to 1.49 million in 2004, while the number of people receiving care in other settings, such as assisted-living residences and adult foster care homes and at home, has increased.

According to a recent AARP survey of Hawaii residents age 18 and older (2006), eight in ten people in Hawaii say it is extremely or very important to have LTC that would help them stay at home as long as possible. Nationally, we know that two-thirds of 65-year-olds (69%) will need some long-term care – many of them in home and community based settings.

To protect the health and safety of consumers, federal and state governments have a strong role in enforcing laws and regulations for nursing homes and home-and community-based settings. By licensing home care agencies, the State takes a further step in protecting the health and safety and assuring quality standards for clients who are receiving personal care assistance, homemaker assistance and respite care support.

While many elderly and their families today obtain home care services through out-of-pocket expenses, licensing should cover some of these expenditures through private long term care insurance plans.

Thank you for the opportunity to testify.