



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

February 5, 2009

LATE  
Testimony

MEMORANDUM

TO: Honorable John M. Mizuno, Chair  
House Committee on Human Services  
  
Honorable Ryan I. Yamane, Chair  
House Committee on Health

FROM: Lillian B. Koller, Director

SUBJECT: H.B. 704 - RELATING TO HOME CARE AGENCIES

Hearing: 10:30 a.m., February 5, 2009  
Conference Room 329, 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 respectfully opposes this bill. It would not be prudent to enact this bill into law at this time as it requires 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.

The Department would require an appropriation of \$420,000 in general funds to conduct this type of licensing program: \$300,000 for contracting with an agency to carry out the licensure process with home care agencies; and \$120,000 for an Registered Nurse V position to write the rules and to manage the licensure program. Additionally, the Department strongly recommends that the language in this bill defining "home care agency" be replaced with the following language:

"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 the Department 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 Service Program. It also avoids an unnecessary expenditure for agencies that are providing personal assistance through the Department of Human Services. 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: House Committee on Human Services  
Rep. John Mizuno, Chair  
Rep. Tom Brower, Vice-Chair

House Committee on Health  
Rep. Ryan Yamane, M.D., Chair  
Rep. Scott Nishimoto, Vice-Chair

Date: February 05, 2009 - Conference Room 329 – 10:30 am

Re: **HB 704, RELATING TO HEALTH**

Chairs Mizuno and Yamane and members of the committees:

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 703. 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.