



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

May 31, 2017

**GOV. MSG. NO. 1130**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on May 31, 2017, the following bill was signed into law:

HB1396 HD2 SD2 CD1

RELATING TO COMMUNITY CARE FOSTER  
FAMILY HOMES  
**ACT 030 (17)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

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## A BILL FOR AN ACT

RELATING TO COMMUNITY CARE FOSTER FAMILY HOMES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that there is an ever-  
2 increasing need for community care foster family homes to  
3 support the health and long-term care needs of an aging  
4 population and families. Community care foster family homes  
5 provide an essential function in the State by providing twenty-  
6 four-hour living accommodations, which include housing,  
7 supervision, personal care, and assistance with daily living  
8 activities for their residents. These homes provide individuals  
9 who are at a nursing facility level of care with living  
10 accommodations in a family-like setting, an alternative to  
11 living in an institutional setting.

12           Community care foster family homes are generally licensed  
13 to provide accommodations and services to not more than two  
14 adults at any one time, at least one of whom shall be a medicaid  
15 recipient, who are at the nursing facility level of care. The  
16 department of health may certify a community care foster family



1 home for a third adult who is at the nursing level of care and a  
2 medicaid recipient, provided certain requirements are met.

3 The legislature further finds that not only do medicaid  
4 clients have limited options for long-term care, so do  
5 individuals who do not rely on medicaid for long-term care.  
6 Besides providing accommodations to medicaid recipients,  
7 community care foster family homes also provide accommodations  
8 to private-pay individuals. There is also a recognized need to  
9 accommodate private-pay individuals who share a long-term  
10 relationship. As the cost of medical care continues to rise, it  
11 is becoming apparent that even those who do not rely on medicaid  
12 for their long-term care cannot afford the cost of private care,  
13 leaving this population also with limited options.

14 The purpose of this Act is to recognize the varied needs of  
15 the State's aging population by allowing the department of  
16 health flexibility to permit two private-pay individuals to be  
17 cared for in the same community care foster family home,  
18 provided they meet certain qualifying conditions.

19 SECTION 2. Section 321-481, Hawaii Revised Statutes, is  
20 amended by amending the definition of "community care foster  
21 family home" or "home" to read as follows:



1        ""Community care foster family home" or "home" means a home  
2 that:

3        (1) Is regulated by the department in accordance with  
4 rules that are equitable in relation to rules that  
5 govern expanded adult residential care homes;

6        (2) Is issued a certificate of approval by the department  
7 or its designee to provide, for a fee, twenty-four-  
8 hour living accommodations, including personal care  
9 and homemaker services, for not more than two adults  
10 at any one time, at least one of whom shall be a  
11 medicaid recipient, who are at the nursing facility  
12 level of care, who are unrelated to the foster family,  
13 and who are receiving the services of a licensed home  
14 and community-based case management agency; provided  
15 that ~~[the]~~:

16        (A) The department, in its discretion, may certify a  
17 home for a third adult who is at the nursing  
18 facility level of care and is a medicaid  
19 recipient; provided further that ~~[the]~~:

20        ~~[-(A) Home]~~ (i) The home has been certified and in  
21 operation for not less than one year;





- 1            (ii) The operator of the three-bed community care  
2            foster family home has had a vacant medicaid  
3            bed for at least six months; provided that  
4            the operator shall not transfer out a  
5            medicaid or private-pay client from the  
6            community care foster family home in order  
7            to accept a private-pay individual;
- 8            (iii) The two private-pay individuals are in a  
9            relationship with each other as a married  
10           couple or in a civil union and one of the  
11           private-pay individuals is currently  
12           residing in the community care foster family  
13           home for at least six months;
- 14           (iv) The department, in its discretion,  
15           determines that no other adult residential  
16           care home, expanded adult residential care  
17           home, or healthcare facility within the area  
18           has an available opening and is capable of  
19           providing care to both private-pay  
20           individuals; and



1           (v) There are no medicaid recipients seeking  
2           placement in the community care foster  
3           family home that the married or civil union  
4           private-pay individuals are seeking to  
5           occupy;

6           (C) If the legal relationship of the marriage or  
7           civil union of the individuals ceases to exist,  
8           including but not limited to as a result of death  
9           or divorce, one of the two private-pay beds shall  
10           immediately, upon the death or the effective date  
11           of divorce, become a medicaid bed; and

12           (D) The department and its officers, employees, and  
13           agents, in exercising discretion and in  
14           considering any other factors that the department  
15           deems relevant to its decision, shall be immune  
16           from suit and liability in the exercise of its  
17           discretion under this section; and

18           (3) Does not include expanded adult residential care homes  
19           or assisted living facilities."

20           SECTION 3. The department of health shall submit a report  
21 of its findings and recommendations to the legislature no later



1 than twenty days prior to the convening of the regular session  
2 of 2018 on the authorization to allow two private-pay  
3 individuals to be cared for in the same community care foster  
4 family home as provided under this Act, including its impact on  
5 the availability of space for medicaid clients.

6 SECTION 4. It is the intent of this Act not to jeopardize  
7 the receipt of any federal aid. If this Act is found to be in  
8 conflict with federal requirements that are a prescribed  
9 condition for the allocation of federal funds to the State, this  
10 Act shall be deemed void.

11 SECTION 5. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect upon its approval.

APPROVED this 31 day of MAY, 2017



GOVERNOR OF THE STATE OF HAWAII



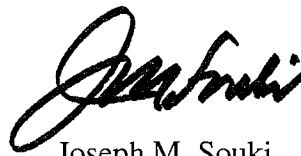


HB No. 1396, HD 2, SD 2, CD 1


THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki  
Speaker  
House of Representatives

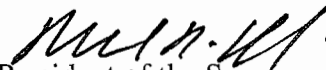



Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAII**

Date: May 2, 2017  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the  
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.

  
President of the Senate

  
Clerk of the Senate