
HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO STUDY THE
FEASIBILITY OF INCREASING THE MEDICAID REIMBURSEMENT
PAYMENT RATE FOR HAWAII'S COMMUNITY CARE FOSTER FAMILY
HOMES AND EXPANDED ADULT RESIDENTIAL CARE HOMES FOR
MEDICAID RECIPIENTS.

1 WHEREAS, Hawaii has a limited number of beds in nursing
2 homes for patients requiring a nursing home level of care; and
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4 WHEREAS, community care foster family homes (CCFFHs) and
5 expanded adult residential care homes (E-ARCHs) provide
6 additional options for a nursing home level of care throughout
7 the State; and
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9 WHEREAS, caregivers in CCFFHs and E-ARCHs effectively
10 provide the proper care needed for nursing home level patients,
11 including assistance with activities of daily living (ADLs);
12 specialized care, such as care with feeding tubes and catheters;
13 basic wound care; maintenance exercise programs; cognitive
14 stimulation; dietary management; and other custodial care, as
15 needed; and
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17 WHEREAS, the availability of beds in CCFFHs and E-ARCHs can
18 reduce the length of hospital stays; provide emotional,
19 financial, and physical relief to families caring for a frail
20 senior or family member in their own home; and reduce the risk
21 of homelessness, morbidity, and mortality in patients who
22 require a nursing home level of care; and
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24 WHEREAS, the ARCH program was introduced in Hawaii in the
25 1950s or earlier to provide assisted living-type care and was
26 expanded in 1994 to provide a nursing home level of care as the
27 E-ARCH program under the Department of Health, serving
28 approximately fourteen hundred patients, with the potential for
29 an even greater number; and



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1 WHEREAS, the pilot CCFFH program was started in 1979 by The
2 Queen's Medical Center; started receiving Medicaid funding under
3 a federal Medicaid waiver in 1984, initially under the direction
4 of the Department of Human Services and now under the Department
5 of Health; and serves approximately three thousand patients,
6 with the potential for an even greater number; and
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8 WHEREAS, the 1984 federal Medicaid waiver for CCFFHs was
9 approved based on its success as a high-quality alternative to
10 nursing home care for Medicaid patients, and which costs
11 two-thirds or less than placement in a nursing home; and
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13 WHEREAS, the level of CCFFH reimbursement has not kept up
14 with that two-thirds target, resulting in a reimbursement rate
15 to CCFFH providers in 2020 that is approximately one-sixth of
16 that for nursing home placements; and
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18 WHEREAS, caregivers who accept Medicaid patients into their
19 CCFFH receive \$47.06 per day plus the patient's Social Security
20 assistance, for a maximum of \$2,500 per month for room, board,
21 and all patient care, while a nursing home receives \$280 per day
22 plus the patient's Social Security assistance for the same
23 patient for a maximum of \$10,100 per month (with HMSA, Kaiser
24 Permanente, and UHA insurance at slightly higher rates); and
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26 WHEREAS, Hawaii has an ethnically diverse population that
27 lives in sparsely-populated rural and densely-populated urban
28 areas, and it is projected that the number of residents above
29 age sixty will increase by seventeen percent between 2020 and
30 2030 and those over eighty-five years will increase by
31 thirty-two percent; and
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33 WHEREAS, studies by AARP show that Hawaii needs to improve
34 efforts to provide lower-cost long-term care services to the
35 community under Hawaii's MedQuest Medicaid program rather than
36 the more expensive care in nursing Homes; and
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38 WHEREAS, many caregivers who operate CCFFHs and E-ARCHs are
39 also employed in nursing homes, hospitals, assisted-living
40 facilities, and other health care facilities around the State in
41 order to supplement their income and maintain their own health



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1 benefits, which potentially creates a greater risk for the
2 spread of infectious disease, which is of particular concern
3 during pandemics; and

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5 WHEREAS, many CCFFH caregivers will decline to accept a
6 Medicaid patient and instead save empty beds for private pay
7 patients in order to maximize their income, thus reducing the
8 total number of beds available to Medicaid patients; and

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10 WHEREAS, very few caregivers in E-ARCHs will accept
11 Medicaid patients because of the low reimbursement rate and
12 instead save their beds for private pay patients; and

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14 WHEREAS, one of the outcomes of such a low reimbursement
15 rate is the limited availability of beds in the community for
16 Medicaid patients who require placement in nursing homes at the
17 higher rate, thus increasing the total cost of care; and

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19 WHEREAS, many Medicaid patients remain hospitalized in
20 acute care beds throughout Hawaii at a financial loss to the
21 acute care facilities due to a lack of available community beds
22 to which they can be discharged; and

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24 WHEREAS, the Medicaid rate for CCFFH reimbursement has not
25 been increased in the last five years; now, therefore,

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27 BE IT RESOLVED by the House of Representatives of the
28 Thirty-first Legislature of the State of Hawaii, Regular Session
29 of 2021, that the Department of Human Services is requested to
30 study the feasibility of increasing the Medicaid reimbursement
31 payment rate for Hawaii's CCFFHs and E-ARCHs for Medicaid
32 recipients; and

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34 BE IT FURTHER RESOLVED that the Department of Human
35 Services is requested to review the existing payment model for
36 Medicaid reimbursement and determine if overall savings can be
37 achieved by increasing the rate for CCFFH and E-ARCH care
38 providers; and

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40 BE IT FURTHER RESOLVED that the Department of Human
41 Services is requested to submit a report of its findings and



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1 recommendations, including any proposed legislation, to the
2 Legislature no later than twenty days prior to the convening of
3 the Regular Session of 2022; and

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5 BE IT FURTHER RESOLVED that certified copies of this
6 Resolution be transmitted to the Director of Human Services,
7 President of the Adult Foster Homecare Association of Hawaii,
8 and President of the Alliance of Residential Care Home
9 Administrators.

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OFFERED BY:



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