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April 12, 2022

TO: The Honorable Representative, Ryan I. Yamane
House Committee on Health, Human Services, and Homelessness

FROM: Cathy Betts, Director

SUBJECT: **SCR 10 SD1 – REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO STUDY THE FEASIBILITY OF INCREASING THE MEDICAID REIMBURSEMENT RATES FOR COMMUNITY CARE FOSTER FAMILY HOMES, EXPANDED ADULT RESIDENTIAL CARE HOMES, AND OTHER TYPES OF HOME AND COMMUNITY BASED SERVICE CARE PROVIDERS AND SERVICES.**

Hearing: April 14, 2022, 9:00 a.m.
Videoconference, State Capitol Conference room 329

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent and provides comments.

PURPOSE: Requesting the Department of Human Services to study the feasibility of increasing the Medicaid reimbursement rates for Community Care Foster Family Homes, Expanded Adult Residential Care Homes, and other types of Home and Community Based Service Care (HCBS) services and providers.

The Department agrees that reimbursement rate increases are likely needed for CCFHs, E-ARCHs, and other types of HCBS providers and services. The Med-QUEST Division (MQD) is currently considering a feasibility study of rate increases as part of a Home and Community Based Services (HCBS) financial plan in response to a section of the American Rescue Plan Act that seeks to strengthen, enhance, and expand HCBS. The study would include analyzing rate increases and re-structuring the rates to better support HCBS providers and increase their

capacity to serve individuals with the most complex physical and behavioral health challenges. Also, a one-time rate increase is being considered for nursing facilities, Community Care Foster Family Homes (CCFFHs), and Expanded-Adult Residential Care Homes (E-ARCH) by the Legislature in SB 3236, Relating to Medicaid Payments.

Finally, DHS has proposed increases for domiciliary care rates as specified in section 346-53(c), Hawaii Revised Statutes (HRS), and personal needs allowances (PNA) for individuals residing in settings as specified in section 346D-4.5(a), HRS, that are paid as part of the DHS Social Services Division's (SSD) programs.

Thank you for the opportunity to provide comments on this resolution.