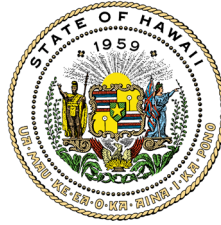


JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII'

KENNETH FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE



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STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831

Testimony in SUPPORT of HB 838, HD1
Relating to Long-Term Care

COMMITTEE ON FINANCE
REPRESENTATIVE KYLE T. YAMASHITA, CHAIR
REPRESENTATIVE LISA KITAGAWA, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: February 23, 2023
1:30 PM

Room Number: 308
Via Videoconference

EOA's Position: The Executive Office on Aging (EOA), an attached agency to the Department of Health, supports **HB 838, HD1**, Relating to Long-Term Care.

Fiscal Implications: This measure appropriates an unspecified amount for SFY 2023-2024 and SFY 2024-2025 for the long-term care commission.

Purpose and Justification: The purpose of this measure is to re-establish the long-term care commission to identify further-needed reforms of the long-term care system, research program changes and resources necessary to meet the State's long-term care public policy goals and explore various funding options to support the provision of long-term care services in the future.

In 2008, Act 224 created a long-term care commission that conducted a comprehensive assessment of Hawai'i's long-term care system and recommended changes. At that time, the population of older adults 85 years and older who have the greatest need for long-term care was projected to increase by two thirds. The 2012 report stated "*There is no way to provide services*

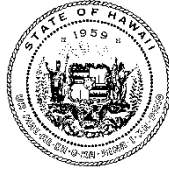
for this population without additional sources of financing; it is impossible to serve two-thirds more people within the same level of government spending. Either government will need to spend substantially more for long-term care or other sources of financing will need to be found".

According to the U.S. Department of Health and Human Services dated August 8, 2022, National Vital Statistics Report, Hawai'i ranks number one nationwide in longevity at 80.7 years of age. As our aging population continues to grow, Hawai'i is faced with a workforce shortage. The COVID pandemic only exacerbated this problem. At the same time more of our kupuna are at risk of homelessness, forced to cut back on necessities such as food and medical treatment, just to pay their mortgage or rent. Re-establishing the long-term care commission to assess Hawai'i's current long-term care system and explore innovative funding strategies and other long-term care program models is essential.

Caring for our Kūpuna must be a priority. Real, long-lasting investment in Hawai'i's long-term care system is needed and re-establishing the long term care commission is an important start. We appreciate your consideration of this bill.

Recommendation: EOA defers to the University of Hawai'i College of Social Sciences Social Sciences Research Institute on the implementation and looks forward to collaborating with the commission. EOA respectfully requests that a representative from the Aging Network and/or EOA and kupuna and caregivers are also represented on the commission.

Thank you for the opportunity to testify.



STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE

February 23, 2023; 1:30 p.m.

House Bill 838, HD1
RELATING TO LONG-TERM CARE

Chair Yamashita, Vice Chair Kitagawa, and members of the committee, thank you for the opportunity to submit testimony on House Bill 838, HD1. The State Procurement Office (SPO) opposes the 103D exemption language on page 7, SECTION 2, LINES 2 – 6.

“...Any contract executed pursuant to this subsection shall be exempt from chapter 103D, Hawaii Revised Statutes; provide that any such contract is approved by the commission in an open meeting.”

The SPO objects to the procurement exemption and testifies that third party contracts for this program should be competitively procured. Exemptions to the procurement code have always been a concern by the SPO. As pointed out in the National Association of State Procurement Officials' (NASPO) white paper on “Ethics and Accountability,” maintaining the integrity of public procurement is one of the most important pillars of government.”

Chapter 103D, Hawaii Revised Statutes, Hawaii Public Procurement Code (Code), is the State's single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure, and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding contracts. To legislate that any one entity should be exempt from compliance with both Chapter 103D and 103F, HRS, conveys a sense of disproportionate equality in the law's application.

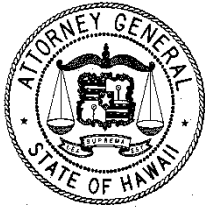
Exemptions to the Code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning, or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

NASPO states that "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies are removed from the Code, it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

H.B. NO. 838, H.D. 1, RELATING TO LONG-TERM CARE.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Thursday, February 23, 2023 **TIME:** 1:30 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Candace J. Park, Deputy Attorney General

Chair Yamashita and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of the bill is to establish the Long-Term Care Commission within the Social Science Research institute in the College of Social Sciences of the University of Hawai'i to identify further-needed reforms of the long-term care system, research program changes and resources necessary to meet the State's long-term care public policy goals, and explore an array of funding options that may help support the provision of long-term care services in the future.

Section 6 of article X of the Hawai'i State Constitution gives the Board of Regents of the University of Hawai'i "exclusive jurisdiction over the internal structure, management, and operation of the university." Section 6 further provides: "This section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern." If the Committee decides to pass this bill, we recommend an amendment that adds a statement identifying this bill as a law of statewide concern.

Thank you for the opportunity to provide these comments.



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Finance
Thursday, February 23, 2023 at 1:30 p.m.

By

Denise Eby Konan, Dean
College of Social Sciences

And

Michael Bruno, Provost
University of Hawai'i at Mānoa

HB 838 HD1 – RELATING TO LONG-TERM CARE

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The College of Social Sciences (CSS) supports the intent of HB 838 HD1, and agrees that the secretariat of the long-term care (LTC) commission be housed in the Social Science Research Institute (SSRI) in the College of Social Sciences. SSRI would act as a convener/secretariat through our Health Policy Initiative, as we have a goal to establish a health policy institute.

We recognize that the LTC commission would meet a state need for Hawai'i's aging population, and that research and evaluation are required to explore public and private approaches to support long-term care services.

This commission is in line with President Lassner's UHealthy initiative that brings components from across the University of Hawai'i System to support health outcomes in Hawai'i.

Medicaid is a major financier of LTC. Medicare does not currently pay for LTC, but linkages from acute settings to short-term nursing facilities and referrals to LTC for Medicare patients is also a key concern. CSS-SSRI has an ongoing collaboration with the Department of Human Services Med-Quest Division (MQD), that involves establishing a health analytics program using all-payers claims data (APCD) and other PII data to evaluate health policy, expenditures, and quality of care. Given the expertise of UHERO and other SSRI researchers that are part of the College's health policy initiative, the commission will be well-placed within CSS-SSRI.

We have strong interest and expertise to contribute within the College and across the university, including a dozen faculty with research interests in aging and long-term care; academic programs relevant to long-term care including Public Administration; Sociology; Certificate on Aging; UHERO; Economics; and the Osher Lifelong Learning

Institute. CSS will partner with other units across campus involved in long-term care including Center on Aging (School of Social Work and Public Health); and Nursing. The Dean of JABSOM also stands in support of HB 838 HD1, and requests that the Commission include an appointee from their Department of Geriatrics, as many faculty are serving as directors or associate directors at long-term care facilities.

The resources required to support the launch of this Commission would include a faculty specialist/program manager, graduate student assistants, funds to release faculty from teaching duties to engage in research, funds to commission third party research, and administrative support to encourage relevant research and report development.

\$120,000	1 FTE	Faculty Specialist/convenor
\$ 50,000	2x.50 FTE	Graduate research assistants
\$150,000		Funds to release faculty to engage in research
\$200,000		Funds to contract with third

Total request is \$520,000 per year and 2.0 FTE.

The College of Social Sciences is committed to the vision and mission of this Commission and would be delighted to serve as the convenor and administrator for the commission.

The University of Hawai'i supports the intent of this measure, provided that its passage does not impact priorities as indicated in the University's Board of Regents Approved Executive Biennium Budget.

Thank you for opportunity to provide testimony on HB 838 HD1.



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The State Legislature
House Committee on Finance
Thursday, February 23, 2023
Conference Room 308, 1:30 p.m.

TO: The Honorable Kyle Yamashita, Chair
RE: Support for H.B. 838, HD1 Relating to Long Term Care

Aloha Chair Yamashita and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social mission organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

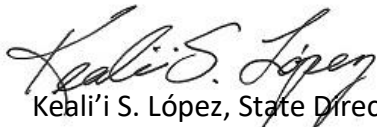
AARP Supports H.B. 838, HD1 which re-establishes the long term care commission to identify further needed reforms of Hawaii's long-term care system.

Back in 2008, AARP played a key role in establishing the initial Hawaii long term care commission that was tasked to address the state's long term care system. A report was submitted to the legislature in 2012 with recommendations to improve and strengthen it. Since then the state long term care system has evolved over the last 10 years, particularly with the expansion of home and community based services (HCBS), and the impact of COVID has certainly revealed new challenges and opportunities. We are also facing a health care workforce shortage especially in the long term care industry that continues to be challenging as the demand for more care increases with our aging population. We support this initiative that will provide an update on the current state of our long term care system, look at new trends and explore more options in long term financing and services, and recommend additional system improvements that are needed.

AARP respectfully recommend that when the commission is formed that there are representation from the home and community based service providers and/or organizations, and others who represent the voices of the care recipient and family caregivers.

Thank you very much for the opportunity to testify in support for **H.B 838, HD1**.

Sincerely,


Keali'i S. López, State Director

THE KŪPUNA CAUCUS



FIN_02-23-23 1:30pm Submitted 02-21-23

TO: THE COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair

Re: HB 838 HD1 - Relating to Long-Term Care

POSITION: Strong Support

ALOHA Chair Yamashita, Vice Chair Kitagawa, and Members of the Finance Committee

The Kūpuna Caucus of the Democratic Party of Hawai‘i has a membership of more than 2,000 politically active and aware seniors. The DPH Kūpuna Caucus supports HB 838, which would re-establish the Long-Term Care Commission in the University of Hawai‘i College of Social Sciences’ Social Science Research Institute to identify further needed reforms of Hawai‘i’s long-term care system. The bill would appropriate funds for the Commission.

Long-Term Care is becoming one of the most important issues for all Kūpuna and their families all over the country, as well as here in Hawai‘i. As the population of our nation ages and the birth rates go down, the issue of long-term care for our elders is affecting us all. This is of special concern to those Kūpuna who have little or no family, and/or limited finances.

There are far too few options for Kūpuna who need such care but who do not have the necessary insurance, or enough insurance, and/or who do not have their own home, or a family home to live in or family to care for them. More care homes or similar facilities are needed and yet even the official licensed facilities that exist may be overcrowded, and need a refresher course in proper procedures during medical crises. The recent Covid Pandemic demonstrated how vulnerable seniors in even long-standing facilities can be. Can we forget how many Kūpuna caught and dies of COVID due to questionable competence by Care Home managers?

A program that would re-establish in-depth research into Long Term Care Issues and institutions can only be of benefit to our State and all the Kūpuna therein.

Alan B. Burdick and Martha E. Randolph for the
Kūpuna Caucus of the Democratic Party of Hawai‘i



February 23, 2023 at 1:30 pm
Conference Room 308

House Committee on Finance

To: Chair Kyle T. Yamashita
Vice Chair Lisa Kitagawa

From: Paige Heckathorn Choy
Associate Vice President, Government Affairs
Healthcare Association of Hawaii

Re: **Support**
HB 838, HD1, Relating to Long-Term Care

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to **support** this measure, which would re-establish the Long-Term Care (LTC) Commission at the University of Hawaii to better understand what programs and resources will be needed to take care of Hawaii's increasingly aging population. Most importantly, this measure would consider what sources of funding and financial support might be needed to meet the demands that will be placed on the post-acute care sector in the near future.

Hawaii's population aged 75 and older is expected to double by 2045, which would mean that the number of seniors in this category would increase from 8% of the population to 15%. At the same time as this increased need for services will be felt, the nursing home industry will require more attention and resources to meet the demand. The pandemic was devastating for nursing homes in terms of finances and staffing. Just recently, the American Health Care Association released a report on the state of nursing homes in the country. The report found that the industry lost more than 210,000 workers—a nearly 15% decline in the overall workforce—due to burnout, retirements, or movement to other settings of care. Around 85% of nursing homes are facing moderate to high levels of staffing shortages, and nearly 100% have reported great difficulty in hiring staff.¹

The future of the nursing home and post-acute care industry must be a priority for policy-makers in the state, and an LTC Commission that can help to provide innovative program ideas and sources of funding and labor can be an important part of that. We support any efforts by the state to support the post-acute care industry, especially as the population ages and demand grows.

Thank you for the opportunity to support this measure.

¹ <https://www.ahcancal.org/News-and-Communications/Fact-Sheets/FactSheets/State-of-Nursing-Homes-Infographic.pdf>

HOUSE FINANCE COMMITTEE

Rep. Kyle T. Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

Hearing Date: Thursday, February 23, 2023, 1:30 p.m

Re: HB 838, HD1 - RELATING TO LONG-TERM CARE

Aloha Chair Yamashita and Committee Members.

My name is Linda Dorset, a resident of Wailuku, Maui. I thank you for the opportunity to submit written testimony regarding the above referenced legislation. I strongly support HB838 that will establish reestablish the long-term care commission to identify further-needed reforms of the long-term care system, research program changes and resources necessary to meet the State's long-term care public policy goals.

I am concerned for my future due to rising long term care cost, workforce shortage and other challenges facing the growing elderly population I hope re-establishing the LTC Commission will provide an opportunity to examine our current system to address areas for improvement, study new trends and explore more options in long term financing and services.

Linda Dorset

Wailuku Resident

HB-838-HD-1

Submitted on: 2/21/2023 8:49:03 PM

Testimony for FIN on 2/23/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB838 HD1.

February 21, 2023

To:
House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair

RE: HB838 Relating to Long Term Care

Hearing Date: February 23, 2023
Conference Room 308, 1:30PM

Most Honorable Chair Yamashita, Vice-Chair Kitagawa and Committee Members:

I am in support of HB838...a bill to reestablish the long-term care commission within the University of Hawaii college of social sciences to identify further needed reforms of Hawaii's long-term care system.

This commission would bring together experts in this field to examine the best practices to service the needs of kupuna who need long-term care in their home environments and are 'starving' for answers: "Who do I call" "Who can I trust in my home" "What home remodeling must I do to be safe in my home" "How can I afford it—or what happens when my money runs out."

It would be advantageous for Hawaii to reconvene this commission to seek out and provide the best solutions and be prepared with Federal grant funds to address a variety of long-term care needs. The timeline is ambitious, but the need is obvious, as the last report from this commission was in 2012 and needs updating.

Please vote to pass HB838. Thank you for providing an opportunity to testify for this measure.

Respectfully submitted,
Christine Olah
Honolulu Resident

COMMITTEE ON FINANCE

Hearing: Thursday, February 23, 2023, 1:30 p.m.
Via Video Conference Room 308
State Capitol

**TESTIMONEY IN SUPPORT OF HB 838, HD1
RELATING TO LONG TERM CARE**

To: Rep. Kyle T. Yamashita, Chair; Rep. Lisa Kitagawa, Vice Chair; Committee on Finance

Thank you for the opportunity to submit written testimony in **strong support** of **HB 838, HD1**, Relating to Long Term Care. Improvement is needed due to rising cost, workforce shortage, etc. The state of Hawaii has a growing elderly population. Reestablishing the long term commission is needed for improvement to our current system.

HB 838, HD1: Reestablishes the long term care commission within the University of Hawaii, College of Social Sciences Research Institute to identify further needed reforms of Hawaii's long term care system. Appropriates funds. Effective 6/30/3000.

I urge you to support **HB 838, HD1**.

Anna Filler
District 26, Downtown-Kakaako-McCully
Email: afiller@twc.com