



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of H.B. 1081, HD1
RELATING TO PENALTIES FOR UNLICENSED CARE HOMES.**

REPRESENTATIVE JARRETT KEOHOKALOLE, CHAIR
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Hearing Date: Wednesday, March 15, 2023

Room Number: 229

1 **Fiscal Implications:** None

2 **Department Testimony:** Thank you for the opportunity to testify in STRONG SUPPORT of
3 this administration bill to strengthen the ability of the Department of Health and its Office of
4 Health Care Assurance (OHCA) to protect the public against uncertified or unlicensed health
5 care facilities.

6 The purpose of this bill is to better safeguard the public by repealing HRS §321-486.3
7 and avoid conflict with HRS §321-20. In short, this is a housekeeping bill and HRS §321-20
8 contains the more appropriate remedial enforcement tool.

9 HRS §321-486 authorizes OHCA to conduct investigations on uncertified or unlicensed
10 care facilities and HRS §321-486.3 allows OHCA to assess administrative penalties of no more
11 than \$100 per day for the 1st violation, \$500 per day for the 2nd violation, and \$1,000 per day for
12 the 3rd and each succeeding violation.

13 However, HRS §321-20 also lists remedies at the department's disposal. It includes the
14 assessment and payment of "an administrative penalty not to exceed \$1,000 for each day of
15 violation."

1 Uncertified or unlicensed care facilities charge thousands of dollars per month to multiple
2 vulnerable *kupuna*. These facilities are not inspected for quality of care, caregiver qualifications
3 including background checks, and an inspection of care home to ensure safe and appropriate
4 living conditions. Fees charged to *kupuna* can be as high as \$8,000 per person per month. As a
5 result, HRS §321-20 is the better enforcement tool, and \$1,000 per day is a more appropriate
6 remedial approach to prevent unlicensed operators from profiting at the hands of vulnerable or
7 frail elderly. A \$100 per day fine for the 1st violation would be meaningless to an operator
8 making tens of thousands of dollars per month.

9 Thank you for the opportunity to testify in **STRONG SUPPORT** of this administration
10 bill.

11 **Offered Amendments:** None.