
A BILL FOR AN ACT

RELATING TO HUMAN SERVICES.

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

1 SECTION 1. The legislature finds that most of the State's
2 kupuna would prefer to live in their own homes for as long as
3 they can. In-home services are key to ensuring kupuna and
4 people with disabilities stay in their own home; these services
5 include helping with activities of daily living such as meal
6 preparation, cleaning, bathing, mobility support, and other
7 forms of personal care. In a 2021 quantitative research study
8 among Hawaii residents forty-five years of age and older, sixty-
9 five per cent were extremely or very concerned about being able
10 to age in place and eighty-three per cent of those surveyed said
11 it was extremely or very important to them to stay in their
12 homes as they get older. Helping individuals live in their own
13 home instead of in an institutional nursing facility is also far
14 less costly.

15 The legislature further finds that reimbursement rates that
16 do not have medicare rates for equivalent services, such as in-
17 home care services, are reviewed and determined by the



1 department of human services at least every five years. The
2 last review of home and community-based reimbursement rates for
3 residential services by the department of human services' med-
4 QUEST division was conducted through a third-party study by the
5 actuarial firm Milliman and reported on December 30, 2022. The
6 study developed benchmark comparison rates for in-home services,
7 including homemaker/companion/chore, personal care/personal
8 assistance/attendant care, and private duty nursing by
9 registered nurse and licensed practical nurse.

10 The rate studies found there is tremendous wage pressure
11 for direct care workers for home settings, given the highly
12 competitive labor market in the State for similar paying jobs.
13 For all in-home provider types included in the study, current
14 median direct care wages paid by the operators fell below the
15 United States Department of Labor Bureau of Labor Statistics
16 twenty-fifth percentile for those occupation codes and titles,
17 except for licensed practical nurses who fell just below the
18 fiftieth percentile.

19 The purpose of this Act is to appropriate funds to increase
20 funding of medicaid in-home services. The corresponding federal



1 matching funds will also increase, resulting in a larger impact
2 on reimbursement received by service providers.

3 SECTION 2. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2024-2025 to
6 increase funding for medicaid in-home services; provided that
7 the department of human services shall obtain the maximum
8 federal matching funds available to this expenditure; provided
9 further that the department of human services shall pursue all
10 funding sources known to the State, including private grants,
11 prior to expending any general revenues appropriated pursuant to
12 this Act.

13 The sum appropriated shall be expended by the department of
14 human services for the purposes of this Act.

15 SECTION 3. In accordance with section 9 of article VII of
16 the Hawaii State Constitution and sections 37-91 and 37-93,
17 Hawaii Revised Statutes, the legislature has determined that the
18 appropriations contained in H.B. No. , will cause the state
19 general fund expenditure ceiling for fiscal year 2024-2025 to be
20 exceeded by \$ or per cent. In addition, the
21 appropriation contained in this Act will cause the general fund



1 expenditure ceiling for fiscal year 2024-2025 to be further
 2 exceeded by \$ or per cent. The combined total
 3 amount of general fund appropriations contained in only these
 4 two Acts will cause the state general fund expenditure ceiling
 5 for fiscal year 2024-2025 to be exceeded by
 6 \$ or per cent. The reasons for exceeding the
 7 general fund expenditure ceiling are that:

- 8 (1) The appropriation made in this Act is necessary to
- 9 serve the public interest; and
- 10 (2) The appropriation made in this Act meets the needs
- 11 addressed by this Act.

12 SECTION 4. This Act shall take effect on July 1, 2024.

13

INTRODUCED BY: *his Mark*

JAN 23 2024



H.B. NO. 2539

Report Title:

DHS; Medicaid; In-Home Services; Appropriation; Expenditure Ceiling

Description:

Appropriates funds to increase the funding for medicaid in-home services, conditioned on the Department of Human Services obtaining the maximum federal matching funds and pursuing all other funding sources.

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