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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A STUDY ON 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 CLIENTS EVERY TEN YEARS.

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 to provide assisted living-type care and was expanded in  
26 1994 to provide a nursing home level of care as the E-ARCH  
27 program under the Department of Health, serving approximately



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



1 facilities, and other health care facilities around the State in  
2 order to supplement their income and maintain their own health  
3 benefits, which potentially creates a greater risk for the  
4 spread of infectious disease; and  
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6 WHEREAS, many CCFFH caregivers will decline to accept a  
7 Medicaid patient and instead save empty beds for private pay  
8 patients in order to maximize their income, thus reducing the  
9 total number of beds available to Medicaid patients; and  
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11 WHEREAS, very few caregivers in E-ARCHs will accept  
12 Medicaid patients because of the low reimbursement rate and  
13 instead save their beds for private pay patients; and  
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15 WHEREAS, one of the outcomes of such a low reimbursement  
16 rate is the limited availability of beds in the community for  
17 Medicaid patients who require placement in nursing homes at the  
18 higher rate, thus increasing the total cost of care; and  
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20 WHEREAS, many Medicaid patients remain hospitalized in  
21 acute care beds throughout Hawaii at a financial loss to the  
22 acute care facilities due to a lack of available community beds  
23 to which they can be discharged; and  
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25 WHEREAS, the Medicaid rate for CCFFH reimbursement has not  
26 been increased in the last eight years; and  
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28 WHEREAS, Senate Resolution No. 4, S.D. 1, adopted during  
29 the Regular Session of 2022, requested the Department of Human  
30 Services to study the feasibility of increasing the Medicaid  
31 reimbursement rates for CCFFHs, E-ARCHs, and other types of Home  
32 and Community-Based Service care providers and services, and in  
33 response, the Department submitted a report of its findings and  
34 recommendations to the Thirty-Second Legislature in  
35 December 2022; now, therefore,  
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37 BE IT RESOLVED by the House of Representatives of the  
38 Thirty-second Legislature of the State of Hawaii, Regular  
39 Session of 2024, the Senate concurring, that the Department of  
40 Human Services is requested to conduct a feasibility study  
41 similar to the study it conducted pursuant to Senate Resolution  
42 No. 4, S.D. 1 (2022), relating to increasing the Medicaid



1 reimbursement payment rate for Hawaii's Home and Community-Based  
2 Service care providers and services, in 2032 and every ten years  
3 thereafter; and  
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5 BE IT FURTHER RESOLVED that each feasibility study is  
6 requested to include the following:  
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- 8 (1) A review of the existing payment model for Medicaid  
9 reimbursement and a determination of whether overall  
10 savings can be achieved by increasing the rate for  
11 CCFFH and E-ARCH care providers;  
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- 13 (2) The feasibility of increasing the Medicaid  
14 reimbursement payment rate for Hawaii's CCFFHs and  
15 E-ARCHs for Medicaid clients; and  
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- 17 (3) An evaluation and report of the impacts of the  
18 implemented rate increases on uptake, utilization, and  
19 cost savings to the Medicaid program; and  
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21 BE IT FURTHER RESOLVED that the Department of Human  
22 Services is requested to submit a report to the Legislature  
23 after the completion of each study no later than twenty days  
24 prior to the Regular Session following the completion of each  
25 study; and  
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27 BE IT FURTHER RESOLVED that certified copies of this  
28 Concurrent Resolution be transmitted to the Director of Human  
29 Services, President of the Adult Foster Homecare Association of  
30 Hawaii, and President of the Alliance of Residential Care Home  
31 Administrators.

