H.B. NO. ²²¹⁵ H.D. 1 S.D. 1

A BILL FOR AN ACT

RELATING TO MEDICAID.

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

SECTION 1. The legislature finds that concerns stemming 1 2 from the spread of infection during the coronavirus disease 2019 3 pandemic and personal preferences create a strong demand for 4 community-based care options for kupuna. In a 2021 quantitative 5 research study conducted by AARP, among Hawaii residents aged 6 forty-five years and older, seventy-five per cent said that 7 having affordable long-term care options in their community was 8 an important independent living issue. Maintaining a connection 9 with family and friends and the ability to continue to visit 10 familiar health care providers is much easier when the State's 11 kupuna can be cared for close to home.

12 The legislature further finds that reimbursement rates that 13 do not have medicare rates for equivalent services, such as all 14 community-based waiver services, are reviewed and determined by 15 the department of human services at least every five years. The 16 last review of home and community-based reimbursement rates for 17 residential services by the department of human services' med-

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1 OUEST division was conducted through a third-party study by the 2 actuarial firm Milliman and reported on December 30, 2022. The study developed benchmark comparison rates for certain home and 3 4 community-based services, including residential services 5 provided in community care foster family homes and expanded 6 adult residential care homes, in-home services, and case 7 management services for home and community-based case management 8 agencies.

9 The legislature additionally finds that, for all provider types included in the study conducted by Milliman, current 10 median direct care wages paid by the home and community-based 11 12 services providers fell below the United States Bureau of Labor 13 Statistics twenty-fifth percentile for those occupation codes 14 and titles, except for licensed practical nurses, who fell just 15 below the fiftieth percentile. Providers face significant wage 16 pressures for registered nurses and certified nursing assistants 17 and are competing with facilities, which are reimbursed at higher rates by medicaid, and private pay services for the same 18 19 labor force. Most providers therefore relied on contracted 20 registered nurses. Providers were not able to offer benefits, 21 including health insurance, to their employees and relied on

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substitute caregivers who were sometimes unpaid, including
 families and friends of the providers. High inflation has also
 further increased costs for operators providing residential
 services in community care foster family homes and expanded
 adult residential care homes.

The purpose of this Act is to appropriate funds to increase 6 7 funding of certain medicaid home and community-based services, 8 including adult day programs and residential services offered in 9 community care foster family homes and expanded adult 10 residential care homes. This Act also requires the department of human services to obtain the maximum federal matching funds 11 available for the expenditure, which will result in a larger 12 13 impact on reimbursements received by service providers.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2024-2025 to increase the funding of certain medicaid home and communitybased services, including adult day programs and residential services offered in community care foster family homes and expanded adult residential care homes; provided that the

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department of human services shall obtain the maximum federal
 matching funds available for this expenditure.

3 The sum appropriated shall be expended by the department of4 human services for the purposes of this Act.

SECTION 3. In accordance with section 9 of article VII of 5 the Hawaii State Constitution and sections 37-91 and 37-93, 6 7 Hawaii Revised Statutes, the legislature has determined that the appropriations contained in H.B. No. , will cause the state 8 9 general fund expenditure ceiling for fiscal year 2024-2025 to be 10 exceeded by \$ or per cent. In addition, the 11 appropriation contained in this Act will cause the general fund 12 expenditure ceiling for fiscal year 2024-2025 to be further 13 exceeded by \$ per cent. The combined total or amount of general fund appropriations contained in only these 14 15 two Acts will cause the state general fund expenditure ceiling 16 for fiscal year 2024-2025 to be exceeded by 17 per cent. The reasons for exceeding the \$ or

18 general fund expenditure ceiling are that:

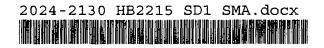
19 (1) The appropriation made in this Act is necessary to20 serve the public interest; and

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- (2) The appropriation made in this Act meets the needs
 addressed by this Act.
- 3 SECTION 4. This Act shall take effect upon its approval.





Report Title:

DHS; Medicaid; Home and Community-Based Services; Expenditure Ceiling; Appropriation

Description:

Appropriates funds to increase the funding of certain Medicaid home and community-based services, including adult day programs and residential services offered in community care foster family homes and expanded adult residential care homes. Requires the Department of Human Services to obtain matching funds. Declares that the general fund expenditure ceiling is exceeded. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

