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February 11, 2025

TO: The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 339 – RELATING TO NEEDS ALLOWANCE.**

Hearing: February 12, 2025, at 1:00 p.m.
Conference Room 225, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services appreciates the intent of this measure, provides comments, and suggests an alternative amendment to clarify that the needs allowance and the payment for domiciliary care make up the State Supplemental Payment. We respectfully disagree with the proposed amendment as it may cause further confusion.

PURPOSE: Clarifies that the monthly needs allowance afforded to individuals living in certain long-term care facilities is not intended to replace or affect funds received as a state supplemental payment for domiciliary care and shall be supplemental to any funds provided to a recipient as a state supplemental payment for domiciliary care.

Hawaii's State Supplemental Program (SSP) is administered by the Social Security Administration (SSA), and the SSA issues a single payment each month to include both the SSI and SSP, combining both federal and state benefits. The state benefits consist of the personal needs allowance for the care recipient and domiciliary care payment for the provider. DHS recommends that when addressing matters involving the needs allowance and or domiciliary

care rates, section 346-53, HRS, (addresses the domiciliary care rate) and section 346D-4.5, HRS, (addresses the needs allowance) should be reviewed in unison, preferably in a single bill, as both make up the State Supplemental Payment.

To clarify the relationship between the two sections, instead of the proposed amendment to (d), DHS respectfully requests an amendment to subsection 346D-4.5(c), to read as follows:

"(c) The State's supplemental payment, as authorized by section 346-53(c)(1) and (2), for a needs allowance under subsection (a) shall be increased by an amount necessary to bring the allowance up to \$75 per month. The payment under this section shall be afforded to an individual notwithstanding that the individual is incapacitated; provided that the moneys may be spent on behalf of the client, with a written accounting, by the operator of the residence or facility."

As drafted, the bill's proposed amendment to section 346D-4.5(d), HRS, may cause confusion and is subject to be misinterpreted, as the needs allowance is part of the State Supplemental Payment. Instead, DHS suggests the above amendment of (c) to reference section 346-53(c), HRS, and maintaining section 346-53(d), HRS, as is. The proposed description on page 1, lines 8-10, is incorrect because the monthly needs allowance is for the care recipient in the setting, for their personal needs. The needs allowance is not "supplemental" (i.e., added) to the payment for the domiciliary care.

Notably, DHS suggested the same amendment to section 346D-4.5(c), HRS, in HB 1477. DHS prefers HB1477 HD1 as it also includes an increase in the domiciliary care payment. The proposed increase in HB 1477 HD1, effective October 1, 2025, is within the current program budget appropriation, and no additional funds are required.

Thank you for the opportunity to provide comments and propose amendments to this measure.

SB-339

Submitted on: 2/11/2025 12:46:17 PM

Testimony for HHS on 2/12/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ellen Awai	Individual	Support	Written Testimony Only

Comments:

I support this SB339 bill regarding needs allowance!