
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 possible. In-home services are key to ensuring kupuna and
4 people with disabilities stay in their own homes. These
5 services include helping with activities of daily living such as
6 meal 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,
9 sixty-five per cent were extremely or very concerned about being
10 able to age in place, and eighty-three per cent of those
11 surveyed said it was extremely or very important to them to stay
12 in their homes as they get older. Helping individuals remain in
13 their own homes instead of in institutional nursing facilities
14 is also far less costly.

15 The legislature further finds that reimbursement rates that
16 do not have medicare rates for equivalent services, such as
17 in-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'
4 med-QUEST division was conducted through a third-party study by
5 the actuarial firm Milliman, and reported on December 30, 2022.
6 The study developed benchmark comparison rates for in-home
7 services, including "homemaker/companion/chore (PA1)", "personal
8 care/personal assistance/attendant care (PA2)", and private duty
9 nursing by a registered nurse or a licensed practical nurse.

10 The rate studies found tremendous wage pressure for direct
11 care workers in home settings, given the highly competitive
12 labor market in the State for similar-paying jobs. For all
13 in-home provider types included in the study, current median
14 direct care wages paid by the operators fell below the United
15 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 Accordingly, the purpose of this Act is to make an
20 appropriation to increase funding of medicaid in-home services.
21 The corresponding federal matching funds will also increase,



1 resulting in a larger impact on reimbursements received by
2 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 2025-2026 and
6 the same sum or so much thereof as may be necessary for fiscal
7 year 2026-2027 to increase funding for medicaid in-home
8 services.

9 The sums appropriated shall be expended by the department
10 of human services for the purposes of this Act.

11 SECTION 3. This Act shall take effect on December 31,
12 2050.



Report Title:

DHS; Medicaid; In-Home Services; Appropriations

Description:

Appropriates funds to be expended by the Department of Human Services to increase funding for Medicaid in-home services.

Effective 12/31/2050. (SD1)

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