THE SENATE
THIRTY-THIRD LEGISLATURE, 2025
STATE OF HAWAII

S.B. NO. 298 S.D. 1

A BILL FOR AN ACT

RELATING TO HUMAN SERVICES.

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

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

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

department of human services at least every five years. The last review of home and community-based reimbursement rates for residential services by the department of human services' med-QUEST division was conducted through a third-party study by the actuarial firm Milliman, and reported on December 30, 2022. The study developed benchmark comparison rates for in-home services, including "homemaker/companion/chore (PA1)", "personal care/personal assistance/attendant care (PA2)", and private duty nursing by a registered nurse or a licensed practical nurse.

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

Accordingly, the purpose of this Act is to make an appropriation to increase funding of medicaid in-home services. The corresponding federal matching funds will also increase,

resulting in a larger 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 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 to increase funding for medicaid in-home services.

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

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

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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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