THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2340 S.D. 1

A BILL FOR AN ACT

RELATING TO COMMUNITY CARE FOSTER FAMILY HOMES.

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

SECTION 1. The legislature finds that community care foster family homes provide a vital residential option for individuals who need twenty-four-hour support in a home-like setting. Although existing law and administrative rules permit these homes to serve up to three residents, uncertainty remains about whether individuals who qualify for the medicaid intellectual and developmental disabilities home and community-based services waiver, also known as the HCBS I/DD waiver, may live in such homes without losing access to their waiver services.

The legislature further finds that individuals with intellectual and developmental disabilities who wish to reside in a community care foster family home must disenroll from the HCBS I/DD waiver and transition to the medicaid section 1115 waiver. This requirement disrupts continuity of care and may result in the loss of essential, individualized services. Clarifying that waiver status shall not disqualify individuals

from living in a community care foster family home will remove systemic barriers and uphold the right to choose where to live.

The purpose of this Act is to ensure that individuals with intellectual and developmental disabilities who meet an intermediate care facility or nursing facility level of care shall not be denied residency in a licensed community care foster family home solely because of their disability or enrollment in a specific medicaid waiver program. This Act affirms the right of individuals to live in the least restrictive setting, promotes housing equity, and preserves continuity of essential services.

SECTION 2. Section 321-483, Hawaii Revised Statutes, is amended to read as follows:

"§**321-483 Community care foster family home, authority over and evaluation of.** (a) Any person in any household who wants to take in, for a fee, any adult who is at the nursing facility level of care and who is unrelated to anyone in the household, for twenty-four hour living accommodations, including personal care and homemaker services, may do so only after the household meets the required standards established for

certification and obtains a certificate of approval from the department or its designee.

(b) The department shall adopt rules pursuant to chapter 91 relating to:

(1) Standards of conditions and competence for the operation of community care foster family homes;

(2) Procedures for obtaining and renewing a certificate of approval from the department;

(3) Minimum grievance procedures for clients of community care foster family home services; and

(4) Requirements for primary and substitute caregivers caring for three clients in community care foster family homes including:

(A) Mandating that primary and substitute caregivers be twenty-one years of age or older;

(B) Mandating that primary and substitute caregivers complete a minimum of twelve hours of continuing education every twelve months or at least twenty-four hours of continuing education every twenty-four months;

(C) Allowing the primary caregiver to be absent from the community care foster family home for no more than twenty-eight hours in a calendar week, not to exceed five hours per day; provided that the substitute caregiver is present in the community care foster family home during the primary caregiver's absence;

(D) Where the primary caregiver is absent from the community care foster family home in excess of the hours as prescribed in subparagraph (C), mandating that the substitute caregiver be a certified nurse aide; and

(E) Mandating that the substitute caregiver have, at a minimum, one year prior work experience as a caregiver in a community residential setting or in a medical facility.

(c) As a condition for obtaining a certificate of approval, community care foster family homes shall comply with rules adopted under subsection (b) and satisfy the background check requirements under section 321-15.2. The department or its designee may deny a certificate of approval if:

(1) An operator or other adult residing in the community care foster family home, except for adults receiving care, has been convicted of a crime other than a minor traffic violation involving a fine of $50 or less;

(2) The department or its designee finds that the background check record of an operator or other adult residing in the home, except for adults receiving care, poses a risk to the health, safety, or well-being of adults in care; or

(3) An operator or other adult residing in the community care foster family home, except for adults receiving care, is a perpetrator of abuse as defined in section 346-222.

(d) Upon approval of a community care foster family home, the department or its designee shall issue a certificate of approval that shall continue in force for one year, or for two years if a community care foster family home has been certified for at least one year and is in good standing pursuant to standards adopted by the department, unless sooner suspended or revoked for cause. The department or its designee shall renew the certificate of approval only if, after an annual or biennial

evaluation, the home continues to meet the standards required for certification.

(e) Any community care foster family home shall be subject to investigation by the department or its designee at any time and in the manner, place, and form as provided in procedures to be established by the department.

(f) The department or its designee may suspend or revoke a certificate of approval if the department or its designee deems that a community care foster family home is unwilling or unable to comply with the rules adopted under subsection (b); provided that:

(1) The suspension or revocation shall be immediate when conditions exist that constitute an imminent danger to the life, health, or safety of adults receiving care;

(2) A community care foster family home whose certificate of approval has been suspended or revoked shall immediately notify its clients and their case managers;

(3) A community care foster family home whose certificate of approval has been suspended or revoked may appeal to the department through its established process, but

the appeal shall not stay the suspension or revocation;

(4) A suspended or revoked certificate of approval may be reinstated if the department or its designee deems that the home is willing and able to comply with the rules adopted under subsection (b); and

(5) A revoked certificate of approval shall be restored only after a new application for a certificate of approval is submitted to the department or its designee and approved.

(g) Any community care foster family home shall be subject to monitoring and evaluation by the department or its designee for certification compliance and quality assurance on an annual or biennial basis.

(h) No person who meets an intermediate care facility or nursing facility level of care and is eligible for services under either the 1915(c) medicaid waiver or medicaid section 1115 demonstration waiver shall be denied residency in a certified community care foster family home solely based on the person's disability status or waiver enrollment. A certified

caregiver may serve as a provider under the 1915(c) and 1115 medicaid waivers.

(i) The department shall provide technical assistance and training to support the appropriate placement of individuals with intellectual and developmental disabilities in community care foster family homes, in collaboration with case management agencies, licensing entities, and medicaid programs; provided that the department shall consult with the med-QUEST division of the department of human services to align waiver language, provider qualifications, and payment models to facilitate this inclusive housing option; provided further that the department shall issue guidance to case management agencies and foster home operators to ensure compliance."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on January 30, 2050; provided that section 2 shall take effect upon the revision of community care foster family home standards by the department of health and the approval of 1915(c) medicaid waiver updates by the Centers for Medicare and Medicaid Services.

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Report Title:
Community Care Foster Family Homes; Individuals with Intellectual and Developmental Disabilities; Medicaid; Housing Access

Description:
Clarifies that individuals with intellectual and developmental disabilities who meet an intermediate care facility or nursing facility level of care shall not be denied residency in a licensed community care foster family home solely because of their disability or enrollment in a specific medicaid waiver program. Effective 1/30/2050. (SD1)

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