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KA MOKU'ĀINA O HAWAI'I
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TRISTA SPEER
DEPUTY DIRECTOR
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February 10, 2026

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

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 2340 – RELATING TO COMMUNITY CARE FOSTER FAMILY HOMES.**

Hearing: February 11, 2026, 1:00 p.m.
Conference Room 225 & via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill to allow individuals with Intellectual and Developmental Disabilities (I/DD) enrolled in the 1915(c) waiver to reside in Community Care Foster Family Homes (CCFFH) without losing access to other 1915(c) services, offers comments, and requests amendments.

DHS agrees that there is a great need to increase community capacity and options for Hawaii's residents who require residential care and delay the use of more costly institutional care. DHS is actively working to expand access to Adult Foster Homes (AFH), which offer community placement options for individuals with developmental or intellectual disabilities, and notes that it has already requested CMS approval to increase AFH compensation on the Neighbor Islands to support the retention of existing providers and expand capacity.

Currently, only a subset of individuals with I/DD who additionally qualify for the Nursing Facility Level of Care (NFLOC) are eligible to reside in CCFFH. This is because CCFFHs are licensed to provide residential care only to individuals meeting NFLOC. To access CCFFH residential services, individuals with I/DD are typically disenrolled from the 1915(c) Medicaid

waiver and enrolled in Home and Community Based Services (HCBS) under the 1115 Medicaid waiver, thereby losing access to existing and specialized HCBS available only through the 1915(c) waiver. This is because the 1915(c) waiver, which serves individuals at the Intermediate Care Facility/Intellectual Disability (ICF/ID) level of care, does not include CCFH services.

The bill would require updating CCFH licensure standards to accommodate individuals at the ICF/ID level of care, and the 1915(c) waiver would need to be amended to include CCFH services. DHS defers to the Department of Health on CCFH licensure standards and is willing to seek approval from the Centers for Medicare and Medicaid Services (CMS) to add CCFH services to the 1915(c) waiver.

DHS cautions that CCFH capacity is limited for individuals who meet NFLOC under the 1115 Medicaid waiver. Expanding access to CCFH to individuals meeting ICF/ID level of care through the 1915(c) waiver is expected to further increase demand for this setting; as such, the authority to provide these services may not translate into increased access for individuals with I/DD while further compromising access to CCFH services for NFLOC 1115 Medicaid waiver individuals, who are mostly kupuna.

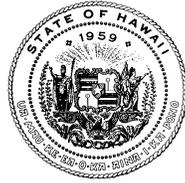
Furthermore, to appropriately care for individuals with I/DD who only meet the Intermediate Care Facility/Intellectual Disability (ICF/ID) level of care, CCFH home operators would require additional training. As such, funding is likely needed to train CCFH operators and their staff to support the placement of individuals with I/DD. DHS will provide updated budget requirements to incorporate these additional costs as the bill proceeds.

DHS respectfully requests an amendment deleting the language on page 8, lines 1-3, "provided that each resident of the home is enrolled in only one waiver and receives services in accordance with that waiver's rules and requirements." This phrase constrains the regulatory pathways through which DHS may seek CMS approval for these services. Also, DHS respectfully requests an amendment adding language stating that, if passed, the bill is contingent upon and enforceable upon revision of CCFH licensure standards by the Department of Health and approval of the 1915(c) waiver updates by the Centers for Medicare and Medicaid Services (CMS).

This bill addresses a complex issue: increasing residential capacity for individuals with I/DD. Implementing this measure as drafted would require multiple changes, approvals, and additional training for providers and may not necessarily result in an overall increase in residential options. DHS recognizes that to develop a comprehensive pathway to achieve the goal of increasing residential capacity for the 1915(c) and 1115 Medicaid waiver populations requires a collaborative approach that includes members of the legislature, families and stakeholders, the Department of Health (DOH) Developmental Disabilities Division (DDD), the DOH State Council on the Developmental Disabilities (SCDD), and DHS.

Thank you for the opportunity to provide comments on this measure.

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII



KENNETH S. FINK, M.D., M.G.A., M.P.H.
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Testimony COMMENTING on SB2340
RELATING TO COMMUNITY CARE FOSTER FAMILY HOMES

SENATOR JOY A. SAN BUENAVENTURA, CHAIR
SENATOR ANGUS L.K. MCKELVEY, VICE CHAIR
COMMITTEE ON HEALTH AND HUMAN SERVICES

Hearing Date and Time: Wednesday, February 11, 2026, 1:00 p.m. Location: Room 225 & Video

1 The Department of Health, Developmental Disabilities Division (DOH-DDD) appreciates
2 the intent of this bill and offers comments. The DOH-DDD agrees that there is a need for
3 increased residential options for individuals with intellectual and developmental disabilities
4 (IDD), especially in rural areas of the State. DOH-DDD is collaborating with the Department of
5 Human Services (DHS) to improve access to residential settings for individuals with IDD and
6 notes that the request to expand access to Community Care Foster Family Homes (CCFFHs) for
7 individuals enrolled in the Home and Community Based Services (HCBS) 1915(c) waiver for
8 intellectual and developmental disabilities raises several concerns.

9 SB2340 intends to allow individuals with IDD participating in the Medicaid 1915(c) HCBS
10 waiver to reside in CCFFHs, which are currently available to individuals enrolled in the Medicaid
11 1115 HCBS waiver. The DOH-DDD appreciates the intent to expand residential options for
12 individuals with IDD and reduce transitions out of the 1915(c) waiver. The DOH-DDD is already
13 actively working to explore and implement other pathways to increase residential capacity for
14 individuals with IDD through a current waiver renewal and suggests ongoing collaboration with
15 DHS and other stakeholders to discuss the requirements and implications of allowing 1915(c)
16 participants to reside in CCFFHs.

1 The Medicaid 1915(c) HCBS waiver for individuals with IDD is authorized under Section
2 1915(c) of the Social Security Act. The DOH-DDD and the DHS Med-QUEST division (MQD) work
3 in partnership to design and implement the 1915(c) waiver in compliance with requirements,
4 laws, and waiver standards. Individuals in the 1915(c) waiver needing residential habilitation
5 services may receive them in various licensed or certified settings, such as Adult Foster Homes
6 (AFHs) for individuals with IDD, DD Domiciliary Homes, and Adult Residential Care Homes. To
7 increase options for individuals with IDD, DOH-DDD has partnered with MQD to propose
8 additional services through a 1915(c) waiver renewal. The waiver renewal proposal includes
9 supplemental payments for agencies to establish new adult foster homes for individuals with
10 IDD. These efforts promise to increase housing capacity for individuals with IDD without
11 competing for limited resources intended for the current CCFFH beneficiaries. Furthermore,
12 these new services and incentives allow individuals with IDD to continue receiving services from
13 caregivers trained in supporting the needs of individuals with IDD through a wide array of
14 1915(c) waiver services.

15 The bill cites the need to transition out of the 1915(c) waiver and into the 1115 waiver
16 to access CCFFHs. Data suggest the actual number of individuals transitioning from the 1915(c)
17 waiver to the 1115 waiver is very low, and even lower for the purpose of requiring residence in
18 a CCFFH. Data spanning approximately the last five years (FY22 to FY26) report an average of
19 only 14 participants per year (0.46% of 3001 participants in the 1915(c) waiver) transitioned
20 from the 1915(c) waiver to the 1115 waiver. All causes were included in the analysis, and few of
21 these transitions were due to need for CCFFH placement.

22 The DOH-DDD recognizes the importance of ensuring continuity of care for 1915(c)
23 participants. Although the total number of individuals transitioned to the 1115 waiver remains
24 very low, the DOH-DDD is working in partnership with MQD to reduce this number further. The
25 renewal adds waiver services such as personal care assistance and residential care supports to

1 promote participants with IDD to age-in-place while continuing to receive 1915(c) services and
2 avoid transfer to the 1115 waiver.

3 The approach in this bill also raises several concerns outlined below.

4 **Concerns with Allowing Individuals in the 1915(c) Waiver to Reside in CCFFHs**

5 **1. Adding CCFFH as a 1915(c) Waiver Service Requires CMS Approval**

6 The 1915(c) waiver currently requires an individual to meet Intermediate Care Facility
7 for Individuals with Intellectual Disability (ICF-IID) level of care (LOC) (as defined in 42 CFR §
8 440.150). This means that without services to facilitate living in home and community settings,
9 the individual with IDD would require institutionalization. Eligibility for the 1115 waiver
10 requires an individual to meet Nursing Facility level of care (NF LOC) (as defined in 42 CFR §
11 440.40 and 42 CFR § 440.155). The 1115 waiver is designed for individuals at risk for nursing
12 home admission and provides skilled nursing and complex medical needs services to prevent or
13 delay institutionalization and allow individuals with nursing level needs to live in their home
14 and community settings. The 1915(c) waiver has been granted approval by the Centers for
15 Medicare and Medicaid Services (CMS) to provide waiver services to those meeting ICF-IID LOC,
16 but does not have CMS approval to provide services for individuals with NF LOC. Moreover, the
17 1915(c) waiver does not include CCFFH as an approved waiver service.

18 The DOH-DDD has identified two pathways to allow individuals in the 1915(c) waiver to
19 access CCFFHs. The first pathway would be to add CCFFHs as a waiver service through an
20 amendment. This would require a rate study and development of service standards; in addition,
21 CCFFH agencies would need to be contracted as waiver service providers. The second pathway
22 would be to add NF LOC to the designation of eligible individuals in the 1915(c) waiver. The
23 decision to grant waiver service access to individuals of a different type of institutional level of
24 care without an analysis of feasibility and impact on the mission of the 1915(c) waiver is a
25 concern. Both pathways require CMS approval through a waiver amendment.

1 **2. Training, Contracting, and Implementation Challenges**

2 Training CCFFH caregivers, contracting with CCFFH agencies, and implementing service
3 requirements also present challenges. Caregivers in CCFFHs are certified nursing assistants or
4 registered nurses trained to support individuals with NF LOC needs. The CCFFH caregivers and
5 agencies that support them are not contracted as providers for 1915(c) services and are not
6 trained to support individuals with ICF-IID level of care needs. CCFFH caregivers would be
7 required to receive additional training to support individuals with IDD and the agencies they
8 serve would be required to contract as 1915(c) waiver service providers.

9 The LOC determinations were created to ensure individuals in specific populations
10 received targeted services. For example, many people with IDD do not have skilled nursing or
11 complex medical needs and instead require habilitative supports to meet their life goals in
12 home and community settings. In contrast, elderly people with advancing medical needs
13 require skilled nursing support, not habilitative support, and may be better served in a setting
14 that provides skilled nursing to address those needs. Allowing individuals in the 1915(c) waiver
15 to access the limited number of CCFFHs will reduce CCFFH access for populations such as the
16 elderly and those with nursing home level of care in the 1115 waiver. The impact and cost of
17 this is unknown.

18 Moreover, the Office of Health Care Assurance (OHCA) has regulatory authority over
19 CCFFHs. As such, placement in a CCFFH must comply with OHCA's regulations, which include,
20 among other requirements, case management oversight which is different than the case
21 management currently provided by DOH-DDD. In addition, if a participant in the 1915(c) waiver
22 were residing in a CCFFH concurrently with an individual(s) in the 1115 waiver, coordination
23 would be required between the DOH-DDD administering the 1915(c) waiver and health plans
24 administering the 1115 waiver to avoid duplication of services and ensure appropriate services
25 are delivered.

1 In summary, for participants in the 1915(c) waiver to be allowed to reside in a CCFFH,
2 initial research by the DOH-DDD has identified the following requirements: 1) amendments to
3 the 1915(c) waiver and approval from CMS, 2) training of CCFFH caregivers in supporting
4 persons with IDD, 3) assessment and implementation of OHCA requirements for CCFFHs, 4)
5 contracting of CCFFH agencies to provide 1915(c) waiver services, and 5) assessment and
6 implementation of processes to avoid duplication of waiver services. A study of the cost and
7 effect of implementing this bill, such as reduction in CCFFH access for 1115 waiver participants,
8 has not been done. Furthermore, a legislatively mandated timeline to execute this bill may not
9 be feasible due to circumstances outside of the DOH-DDD control such as CMS approval for
10 waiver amendments.

11 The DOH-DDD proposes an alternative pathway to legislation that involves evaluation of
12 the impact of proposed waiver renewal services, which are set to begin July 1, 2026, if
13 approved. These waiver renewal services are designed to increase residential capacity and
14 services while participants remain in the 1915(c) waiver. The DOH-DDD will continue to work
15 closely with DHS and stakeholders to consider the implementation of the outlined regulatory
16 and administrative pathways to allow individuals with IDD to reside in CCFFHs but proposes to
17 act on a timeline and scale that is feasible, data driven, collaborative, and does not compromise
18 access and quality of services for vulnerable populations.

19 Thank you for the opportunity to provide comments.



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA
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February 11, 2026

The Honorable Joy A. San Buenaventura, Chair
Senate Committee on Health and Human Services
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Chair San Buenaventura and Committee Members:

SUBJECT: Testimony in Support of SB2340, Relating to Community Care Foster Family Homes

The Hawai'i State Council on Developmental Disabilities is in **STRONG SUPPORT of SB2340**, which 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

This measure is needed because current policy forces individuals with intellectual and developmental disabilities (I/DD) to make an unnecessary and harmful choice between where they live and the Medicaid services that support their health, safety, and independence. Although Community Care Foster Family Homes (CCFFHs) are licensed to serve individuals at an intermediate care facility or nursing facility level of care, individuals with I/DD are often excluded from these homes solely because they are enrolled in the 1915(c) waiver. This exclusion is not based on health or safety concerns, but on administrative interpretations of waiver eligibility.

Existing rules already provide a strong framework for safe, regulated, home-like care. HAR §11-800 is diagnosis-neutral, focuses on functional need rather than funding source, and includes training, oversight, and service planning requirements that align with home- and community-based services standards. CCFFHs already serve private-pay individuals and Medicaid 1115 waiver participants at comparable levels of care. The barrier preventing individuals with I/DD from residing in these homes is therefore not regulatory, but programmatic.

By clarifying that waiver enrollment cannot be used as a basis for exclusion, this measure removes a systemic barrier to community living. It allows individuals to retain their 1915(c) waiver services while residing in an appropriate, licensed setting, promotes continuity of care, expands inclusive housing options, and prevents unnecessary discharges and transitions. This is a targeted clarification that aligns policy with practice and supports the State's commitment to integrated community-based living for people with I/DD.

For these reasons, the Hawai'i State Council on Developmental Disabilities **strongly supports SB2340.**

Thank you for the opportunity to submit testimony.

Sincerely,



Daintry Bartoldus
Executive Administrator

SB-2340

Submitted on: 2/6/2026 6:48:41 PM

Testimony for HHS on 2/11/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Louis Erteschik	Testifying for Hawaii Disability Rights Center	Support	Remotely Via Zoom

Comments:

We support this Bill. It will expand housing and community integration opportunities for individuals in the ID or DD population. Our understanding is that this is a particular problem on the neighbor islands, where homes that are specially designed for individuals with developmental disabilities are in short supply . Yet there are Community Care Foster Homes that could admit these individuals but for the current maze of regulations that govern different types of care homes. We have seen cases where individuals were forced to relocate to Oahu when they could have remained in their community had they been allowed to be placed in a Community Care Foster Home. The result is they are uprooted from their community and placed further away from their family. The hope is that this measure will provide some flexibility so as to minimize those occurrences. Ultimately, the goal is to increase the capacity, especially on the neighbor islands, to care for this population



The Honorable Joy A. San Buenaventura, Chair
Senate Committee on Health and Human Services
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Chair San Buenaventura and Committee Members:

The Hawai'i Self-Advocacy Advisory Council(SAAC) strongly supports SB2340. The bill makes sure that people with intellectual and developmental disabilities cannot be denied a place in a Community Care Foster Family Home just because of their disability or because they use a specific Medicaid waiver.

Right now, some people with I/DD are kept out of these homes for administrative reasons—not because of safety or care needs. SB2340 fixes this by clarifying that waiver enrollment cannot be used as a reason to exclude someone. This allows people to keep their services, stay in appropriate licensed homes, and avoid unnecessary moves.

For these reasons, the Hawaii Self-Advocacy Advisory Council strongly supports SB2340.

Timothy Renken,

A handwritten signature in black ink, appearing to read 'Timothy Renken', written in a cursive style.

President, Hawaii Self-Advocacy Advisory Council

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

SUBJECT: SB2340 Relating to Community Care Foster Family Homes.

Aloha:

My name is Randelle Lee. I am with Easter Seals Waimea, on the island of Kauai.

I support bill SB2340.

Hawaii should allow myself as an individual that in the Home and Community Based Services Waiver program the ability to also choose the option to live in a Community Care Foster Family Home if that is the best place for me to live. This would allow current residents to remain on the Waiver to best fits their needs. It is very important for people like me to have housing choices that would allow us to age in place.

Please support bill SB2340.

Mahalo

Randelle Lee
9819A Uuku Road,
Waimea, HI 96796

SB-2340

Submitted on: 2/10/2026 5:40:21 PM

Testimony for HHS on 2/11/2026 1:00:00 PM

LATE

Submitted By	Organization	Testifier Position	Testify
Kayla Low	Individual	Comments	Written Testimony Only

Comments:

May it please the court,

I agree with the sentiment represented in SB2340, that children with disabilities need equal access to foster care placements with licensed caregivers. It is important to note that children with disabilities also require a higher level of care. Should there be a provision in this bill that ensures that foster families have additional support (i.e. going over a child's IEP/504 plan and having an opportunity to ask questions, frequent check-ins from a case manager, etc.) so that they are able to provide for the child(ren)'s needs?

Mahalo for your time,
Kayla Low

LATE

SB2340 Testimony

Aloha Chair, Vice Chair, and Committee Members.

My name is Iris Xiao.

Thank you for this opportunity to provide testimony in **strong support of SB2340.**

I am from Honolulu, and I am self-advocate with autism, and I love to learn but sometimes it can be difficult for me.

SB2340 is important because I think it is important for people with intellectual and developmental disabilities (IDD) to have a choice in where they live. Living in the community is important for people with IDD for being independent, understanding new things, having self-determination, and being your own person, all while still having support. Living in the community is important so that you can be in charge of your own life and be an active member of the community.

One day I would like to live with my boyfriend and maybe get married, and it is uncomfortable to do that when you live at home. By living in the community instead of living at home, this will help us be more independent with our lives together.

I strongly support SB2340.

Thank you for allowing me to speak.

LATE

SB-2340

Submitted on: 2/11/2026 7:47:21 AM

Testimony for HHS on 2/11/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Leilani Kailiawa	Individual	Support	Written Testimony Only

Comments:

Aloha, Chair San Buenaventura and Committee Members,

My name is Leilani Kailiawa. I am a parent of a child with multiple disabilities and a community leader.

I am in strong support of this bill. It removes a systemic barrier to community living. It will allow individuals to retain their 1915(c) waiver services while residing in an appropriate licensed setting, promotes continuity of care, expands inclusive housing options, and prevents unnecessary discharges and transitions.

I have family members and friends who will benefit from this.

Mahalo nui loa for your time and allowing me to share,

With gratitude

Leilani Kailiawa