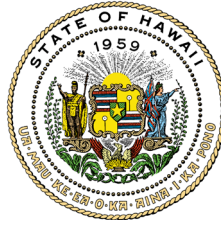


JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

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**STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831**

**Testimony in SUPPORT of SB298 SD1, HD1
Relating to Human Services**

COMMITTEE ON FINANCE
REP. KYLE T. YAMASHITA, CHAIR
REP. JENNA TAKENOUCI, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: March 27, 2025
3:30 P.M.

Room Number: 308
Via Videoconference

EOA's Position: The Executive Office on Aging (EOA), an attached agency to the Department of Health, **supports SB298 SD1, HD1.**

Fiscal Implications: Appropriates funds for SFY 2025-2026 and the same sum for SFY 2026-2027 to be expended by the Department of Human Services (DHS).

Purpose and Justification: The purpose of this bill is to appropriate funds to increase funding for Medicaid in-home services. Medicaid in-home services allow older adults and individuals with disabilities to live independently and remain in their home rather than in institutional care. These services improve the quality of life for older adults and individuals with disabilities by helping with bathing, dressing, toileting, medication reminders, meal prep/cooking, chores, transportation, and other activities.

Despite the valuable work that in-home care workers provide they are often paid low wages and have few opportunities for training or career advancement. As a result, recruitment

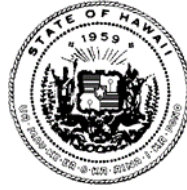
for these jobs is low and the turnover rate is high. This has contributed to the workforce shortage, limiting the capacity of providers and often causing them to shut down. Increasing funding for Medicaid in home services will increase rates for service providers, enabling them to pay care workers higher wages.

Medicaid in-home care services are also cost effective by keeping individuals out of costly institutions, reducing healthcare expenditures for the state. Increasing funding for Medicaid in-home services is an important investment that will improve the quality of life for older adults and individuals with disabilities, value and build the workforce, and be cost effective.

Recommendation: EOA supports this measure and defers to DHS.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWE LAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

March 25, 2025

TO: The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 298 SD1 HD1 – RELATING TO HUMAN SERVICES.**

Hearing: Thursday, March 27, 2025, at 3:30 p.m.
Conference Room 308 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the measure and offers comments. DHS respectfully requests that this program and appropriation not conflict with, reduce, or replace priorities identified in the executive budget. Furthermore, DHS requests that any increases be appropriated through the executive budget, rather than a bill, so that the increases can be incorporated into the DHS base budget.

PURPOSE: The purpose of this bill is to make an appropriation to increase funding for Medicaid in-home services. Effective 7/1/3000. (HD1)

The Senate Committee on Health and Human Services amended this measure by:

- (1) Deleting language that would have required the Department of Human Services to:
 - (A) Obtain the maximum federal matching funds available for this measure's proposed expenditure; and
 - (B) Pursue all funding sources known to the State, including private grants, prior to expending any general revenues appropriated pursuant to this measure; and
- (2) Inserting an effective date of December 31, 2050, to encourage further discussion.

The House Committee on Human Services & Homelessness amended this measure by:

- (1) Clarifying certain findings in the preamble related to reimbursement rates for Medicaid in-home services;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

DHS appreciates the amendments and the intent to provide increased funding to DHS to raise rates for the provision of Home and Community Based In-Home services. We note that these services are designed to assist with personal care or chore services that support daily living activities, such as meal preparation, cleaning, and bathing, typically provided by trained home-care workers and aides. These services enable individuals to live in the community or their own homes, rather than in institutional care settings (e.g., nursing facilities).

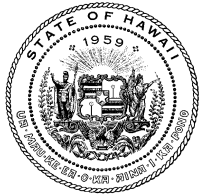
DHS previously worked with our actuaries and completed rate studies for various Home and Community Based Services (HCBS), including In-Home Services, which were submitted to the Legislature prior to the 2023 legislative session (Senate Resolution 4 Senate Draft 1 Requesting The Department Of Human Services To Study The Feasibility Of Increasing The Medicaid Reimbursement Rates For Community Care Foster Family Homes, Expanded Adult Residential Care Homes, And Other Types Of Home And Community Based Service Care Providers And Services; and a Rate Study Addendum). Three scenarios were modeled at “low,” “medium,” and “high” level increases. In the last two legislative sessions, the Legislature did provide funding to increase the rates for all of the other Home and Community Based services at the “low” scenario level.

DHS agrees that increased rates are necessary and that without increases, it will become increasingly difficult to find personal care workers needed for our kupuna and individuals with disabilities wishing to remain living in their own homes. If people cannot remain in their own homes, they will likely need more support in a more costly setting, such as a nursing facility or other community residential setting. For this reason, the executive budget includes a request for increases for In-Home services for a total of (\$23.8M- \$14.06M N funds). The state general fund appropriation of \$9.74M has already been allocated in the Med-QUEST Division’s (MQD) Health Care Payments budget to cover the increase at the “low” scenario level. The House

Committee on Human Services and Homelessness suggests increasing the In-Home rates to the “High” scenario at \$40.4M – (\$23.87M N funds/\$16.53 A funds). The increase in A funds between the low and high scenarios is \$6.79M.

DHS notes that possible reductions to federal funding levels for the Medicaid program would impact our ability to execute programs at current levels and may make the execution of the changes proposed in this bill difficult or impossible to accomplish.

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



**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

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

KENNETH S. FINK, MD, MGA, MPH
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JOHN C. (JACK) LEWIN, M.D.
ADMINISTRATOR

1177 Alakea St., #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

March 25, 2025

To: HOUSE COMMITTEE ON FINANCE
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair and
Honorable Members

From: John C (Jack) Lewin MD, Administrator, SHPDA

Re: **SB298, SD1, HD1 - RELATING TO HUMAN SERVICES**

Position: SUPPORT with COMMENTS

Testimony:

SHPDA fully supports the intent of this bill to appropriate funds to increase funding for Medicaid in-home services through DHS/Med-QUEST with federal matching, with the caveat that funding for this request should not replace or modify funding for these purposes already contained in the DHS state budget request.

However, these services are sorely needed to allow more kupuna and persons with disabilities to live independently and remain in their homes rather than in institutional care. These services improve the quality of life for older adults and individuals with disabilities by helping with bathing, dressing, toileting, medication reminders, meal prep/cooking, chores, transportation, and other activities.

Mahalo nui loa for the opportunity to testify,

Jack Lewin MD, Administrator SHPDA



DISABILITY AND COMMUNICATION ACCESS BOARD

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Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 204-2466 (VP)

March 27, 2025

TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE

Senate Bill 298 SD1 HD1 – Relating to Human Services

The Disability and Communication Access Board (DCAB) supports Senate Bill 298 SD1 – Relating to Human Services. This bill appropriates funds to be expended by the Department of Human Services to increase funding for Medicaid in-home services. Effective 12/31/2050. (SD1)

Many Medicaid recipients prefer to age in place. Hawaii does not have enough community care foster family homes and expanded adult residential care homes and the gap is growing as the population ages.

This bill would assist those who prefer to age in place and keep them out of more expensive nursing facilities.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW
Executive Director



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**The State Legislature
House Committee on Finance
Thursday, March 27, 2025
Conference Room 308, 3:30 p.m.**

TO: The Honorable Kyle Yamashita, Chair
FROM: Kealii Lopez, AARP State Director
RE: Support for S.B. 298, SD1, HD1 Relating to Human Services

Aloha Chair Yamashita and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports S.B. 298 SD1, HD1 which appropriates funds to increase funding for Medicaid in-home services.

This bill increases funding specifically for home health care services, ensuring that elderly and disabled individuals can receive high-quality care in the comfort of their homes. Furthermore, by providing more financial resources, this bill helps improve compensation and support for caregivers, recognizing their crucial role in the healthcare system.

Home health care can be more cost-effective than institutional care, reducing overall healthcare costs while maintaining high standards of care. These services support kupuna to age in their homes and community.

Thank you for the opportunity to support this legislation that will the benefit of Hawaii's kūpuna and their caregivers.