H.B. NO. 3130

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 recognizes the important role that community care foster family homes provide in ensuring that citizens in need of nursing home level of care have choices that allow them to receive that type of care in the community rather than in institutions.

Effective July 1, 2007, section 346-331, Hawaii Revised Statutes, governing community care foster family homes, was amended to allow three clients to reside in community care foster family homes at the discretion of the department of human services. This amendment was a major step forward in expanding long-term care placement options in the community.

The purpose of this Act is to establish a program to offer grants, up to a maximum of $25,000 per home, to community care foster family homes, that are small family owned and operated businesses, to assist with the capital investment required to make the home upgrades necessary to accommodate up to three medicaid clients in the home.

The conditions of the grant would require the operator to provide sixty months of care for a second, or a second and third, medicaid client in the community care foster family home. Currently, section 346-331 requires that care be provided for not more than two adults at any one time, at least one of whom shall be a medicaid client, provided that at its discretion, the department of human services may certify the home for a third resident who is a medicaid client at the nursing home level of care.

Under this program, the operator is required to begin providing the care for a second or third medicaid client within eighteen months of completing the home upgrades.

SECTION 2. (a) The department of human services shall establish a grant program to offer home upgrade grants to operators of community care foster family homes, for eligible home upgrades. The department may contract with a private entity to administer this program.

(b) Grants shall be for amounts not to exceed $25,000 for each applicant.

(c) Grants shall be used exclusively for eligible upgrades to homes that will allow the community care foster homes to accommodate two or three non-self-preserving clients in the

1 home. "Eligible upgrades" mean alterations, repairs, or
2 improvements to an existing housing unit that substantially
3 improves the fire safety of the community care foster family
4 home in compliance with the department's administrative rules
5 regarding fire safety in a community care foster family home.
6 These upgrades will exceed the requirements for single family
7 dwellings.
8 The housing unit to which the upgrades will be made shall:
9 (1) Be a certified community care foster family home or
10 meet the requirements to become certified;
11 (2) Be located in the State;
12 (3) Be occupied as the principal place of residence by the
13 eligible community care foster care operator; and
14 (4) Be used to provide healthcare as a certified community
15 care foster family home.
16 (d) The department or its designee shall develop an
17 application process and shall review applications for the grant
18 and the building permit application, if required by the proposed
19 home upgrades, to ensure that the home upgrades achieve the
20 purpose of the grant and are in compliance with the department's
21 administrative rules regarding fire safety in a community care
22 foster family home.

(e) All activities and upgrades undertaken with funds received shall comply with all applicable federal, state, and county statutes, rules, and ordinances, including applicable building codes, license and permit requirements, and agency rules.

(f) To be eligible for a grant, an applicant shall:

(1) Be a citizen of the United States or permanent United States resident alien and a resident of the State of Hawaii at the time of application; and

(2) Have housing and staffing that would meet all the criteria to be licensed or certified as a community care foster family home or be currently certified as a community care foster family home.

(g) After the approval by the department or its designee of the completed home upgrade, a community care foster family home operator who receives a grant shall be required to reimburse the department for the full amount of the grant if in the eighteen months following the approval, the operator has not provided care concurrently for more than one medicaid client.

(h) A community care foster family home operator shall be required to reimburse the department when it does not provide sixty months of care within five years of the approval by the

department or its designee of the completed home upgrades. The reimbursement must be equal to the amount of the grant minus the grant amount multiplied by the number of months of care provided divided by sixty months.

(i) The provisions of chapter 42F, Hawaii Revised Statutes, shall not apply to the grants made pursuant to this Act, but all grants made under this Act shall be made only in accordance with the standards and conditions specified in this Act.

(j) Applications for grants will be accepted through May 30, 2009, subject to the appropriation of general funds for this program.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of $ 1,600,000, or so much thereof as may be necessary for fiscal year 2008-2009 for the purposes of this Act.

SECTION 4. The sums appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 5. This Act shall take effect upon its approval.

INTRODUCED BY: Calvin K.Y. Say

BY REQUEST

JAN 22 2008

H.B. NO. 3130

Report Title:
Community Care Foster Family Homes; Long term care

Description:
Establishes a grant program to assist operators of community care foster family homes and increases the capacity for cost effective home and community based services for elderly and disabled medicaid clients.

HB 3130

JUSTIFICATION SHEET

DEPARTMENT: Human Services.

TITLE: A BILL FOR AN ACT RELATING TO COMMUNITY CARE FOSTER FAMILY HOMES.

PURPOSE: Provide grants, to be offered for one year, for a maximum of $25,000 per recipient, to assist operators of community care foster family homes (CCFFHs) to make home upgrades that will increase the capacity for cost-effective home and community-based services for elderly and/or disabled Medicaid clients. To incentivize providers to serve more Medicaid clients.

MEANS: Enactment of this bill as a session law, 2008; and an appropriation.

JUSTIFICATION: Effective July 1, 2007, section 346-331, Hawaii Revised Statutes (HRS), governing community care foster family homes was amended to allow an increase for a second or a second and third Medicaid client to reside in community care foster family homes at the discretion of the department. This amendment was a major step forward in expanding long-term care capacity which provides opportunities for additional placement of clients in need of long-term care and saves state revenues in Medicaid.

The purpose of this bill is to assist with the capital investment required to make the home upgrades to accommodate up to three Medicaid clients in the home.

Home upgrades costing from an estimated $5,000 to $25,000 per home will be needed to accommodate up to three clients in the home. This grant program will incentivize a much needed expansion of our cost effective "Going Home" program deinstitutionalizing elderly and disabled Medicaid clients from

HB 3130

hospitals into home and community-based services.

Impact on the public: This grant program to assist with the capital expenses of making these home upgrades will incentivize operators of community care foster family homes, who run small family owned and operated businesses, to use all three slots in their homes to serve Medicaid clients and provide an economical means for them to continue to provide services to these clients as they age in place.

Impact on the department and other agencies: Ability to expand cost-effective home and community-based services.

GENERAL FUND: $1,600,000 for state fiscal year 2008-2009. To be offset with state fund savings of $70,000/year/client for Medicaid clients deinstitutionalized from hospitals to home and community-based services, reducing hospital "waitlisted" patients.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HMS 601 or HMS 301

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: July 1, 2008.