



**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 27, 2020

The Honorable Representative Sylvia Luke, Chair  
House Committee on Finance  
Thirtieth Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Representative Luke and Members of the Committees:

SUBJECT: HB 2615 HD1 – Relating to Social Services

The State Council on Developmental Disabilities **STRONGLY SUPPORTS HB 2615 HD1**. The purpose of the bill is to increase the monthly needs allowance for individuals residing in foster homes, care homes, domiciliary homes, and other long-term care facilities.

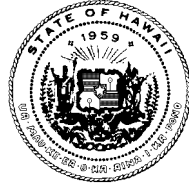
The needs allowance is intended for residents to spend at their discretion on clothing, shoes, toiletries, bedding, towels, wash cloths, furniture, transportation (other than medical visits), personal postage costs, snacks, a meal out with friends, movies, recreational activities, hobbies, reading materials, and other incidental expenses of day-to-day living (cable, internet, cards/presents to send to family/friends, sun screen, lotion, etc.). Federal regulations prohibit long-term care facilities from charging residents' needs allowance for services that are included in Medicaid payments such as toothpaste, toothbrush, tissues, shampoo, and incontinence products.

Act 96, Session Laws of Hawaii 2007 increased the personal needs allowance from \$30.00 to \$50.00 a month. That increase amounted from \$1.00 per day to \$1.66 per day. The passage of HB 2615 would increase the needs allowance from \$50.00 per month to, we hope at least \$75.00 per month, or from \$1.66 per day to \$2.50 per day.

Thank you for the opportunity to present testimony in **strong support of HB 2615 HD1**.

Sincerely,

Daintry Bartoldus  
Executive Administrator



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 27, 2020

TO: The Honorable Representative Sylvia Luke, Chair  
House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2615 HD1 – RELATING TO SOCIAL SERVICES**

Hearing: February 27, 2020, 2:00 p.m.  
Conference Room 329, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent to increase the Personal Needs Allowance (PNA), offers comments, and amendments. DHS requests that any appropriation not supplant budget priorities identified in the executive budget. DHS appreciates the amendments of the House Committee on Human Services & Homelessness.

**PURPOSE:** Amends the monthly needs allowance for individuals residing in foster homes, care homes, domiciliary homes, and other long-term care facilities. Amends the state supplemental payment ceiling for domiciliary care paid to recipients who are eligible for federal supplementary security income or public assistance, or both. Takes effect on 12/31/2059.  
(HD1)

The State's Supplemental Payment (SSP) appropriation is used for domiciliary care payments, as specified in section 346-53(c), HRS, for PNA for individuals residing in settings specified in section 346D-4.5(a), HRS, and for SSP administrative fees paid to the Social Security Administration (SSA) to add the SSP amounts to individual's monthly Supplemental Security Income (SSI) check.

The State Fiscal Year (SFY) 2020 SSP budget is \$17,810,955. The Maintenance of Effort (MOE) agreement with Social Security Administration (SSA) requires an annual minimum

expenditure of \$16,785,143.91 in SSP payments, as specified in Title 20, Code of Federal Regulation (C.F.R.), section 416.2096(a). This leaves a State contribution of approximately \$1,025,811.

The expenditures charged to the approximately \$1,025,811.09 in State share include monthly PNA to eligible individuals residing in nursing facilities and SSP administrative fees. In Calendar Year (CY) 2019, these expenditures totaled approximately \$441,102.05 resulting in a remaining balance of approximately \$584,709.04.

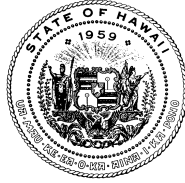
If the proposed change went from a monthly PNA increase from \$50 to \$85 for a total of 183 individuals in nursing facilities, the annual expenditures would increase by \$76,860.00. The increase would not result in annual expenditures above \$584,709.04 or create a budget deficit for this program.

However, from the Medicaid perspective, the proposal would cause an increase in program expenditures and would have a fiscal impact on the State. We are in the process of determining the impact of this supplemental payment increase to Medicaid eligibility.

Additionally, while the total number of eligible individuals receiving SSP and PNA in Hawai'i has decreased yearly since 2014, if the projected eligible client population increases as our aging population increases, PNA program expenditures could exceed the SSP appropriation and DHS would need to request additional general funds for this program as well as any necessary funds to address the increase to Medicaid.

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

DAVID Y. IGE  
GOVERNOR OF HAWAII



CAROLINE CADIRAO  
DIRECTOR

BRUCE ANDERSON  
DIRECTOR OF HEALTH

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**Testimony COMMENTING on HB 2615 HD1  
Relating to Social Services**

COMMITTEE ON FINANCE  
REP. SYLVIA LUKE, CHAIR  
REP. TY J.K. CULLEN, VICE CHAIR

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

Hearing Date: February 27, 2020  
2:00 PM

Room Number: 308

- 1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
- 2 of Health, provides comments on HB 2615 HD1, Relating to Social Services.
- 3 **Fiscal Implications:** This bill is proposing an unspecified increase in the monthly needs
- 4 allowance for individuals residing in foster home, care homes, domiciliary home and other long-
- 5 term care facilities. The current allowance is \$50 which was set in 2007.
- 6 **Purpose and Justification:** The Needs Allowance is used by residents in nursing homes,
- 7 community care homes, adult foster homes, domiciliary care homes to spend at his/her discretion
- 8 on items such as snacks, sending cards to friends/family, reading materials, hobbies, haircuts,
- 9 clothes, footwear and recreational activities. This is important because it enables the resident to
- 10 maintain a minimum level of independence and decision-making.

- 1 **Recommendation:** It has been 13 years since the personal needs allowance was last raised. EOA
- 2 believes that raising the allowance is warranted to keep up with inflation and allows our kupuna
- 3 who reside in long-term care facilities some independence and control.
- 4 Thank you for the opportunity to testify.