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## A BILL FOR AN ACT

RELATING TO HEALTH CARE.

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

1           SECTION 1. Adult residential care homes and other  
2 domiciliary care facilities are integral to Hawaii's health care  
3 system. Adult residential care homes provide twenty-four-hour  
4 living accommodations in a home-like setting for a fee to adults  
5 who need minimal assistance with personal and health care  
6 services in their daily living.

7           For many adults, adult residential care homes are an option  
8 for individuals who seek placement in a health care setting but  
9 do not quite meet the criteria for nursing home placement and do  
10 not have the means for assisted living. Adult residential care  
11 homes foster and support a high level of independence in adults  
12 who reside in these facilities.

13           The legislature finds that adult residential care homes and  
14 other domiciliary care facilities continue to fulfill an  
15 important need in the community because of the increased  
16 reliance on residential health care services and facilities for  
17 Hawaii's aging population. The state supplemental payment for



1 adult residential care homes, licensed developmental  
2 disabilities domiciliary homes, community care foster family  
3 homes, and certified adult foster homes was last increased in  
4 2008 by Act 220, Session Laws of Hawaii 2008. However, the  
5 costs of operating these facilities continue to rise. Many care  
6 home residents rely on the state supplemental payment to cover  
7 the costs of residing in these facilities.

8 The purpose of this Act is to:

- 9 (1) Amend the state supplemental payment amounts for adult  
10 residential care homes, licensed developmental  
11 disabilities domiciliary homes, community care foster  
12 family homes, and certified adult foster homes, and  
13 provide for annual adjustment; and
- 14 (2) Change the public assistance allowance percentage of  
15 the federal poverty level upon which public assistance  
16 allowance is based.

17 SECTION 2. Section 346-53, Hawaii Revised Statutes, is  
18 amended by amending subsection (a) to read as follows:

19 "(a) This subsection does not apply to general assistance  
20 to households without minor dependents. The standard of need  
21 shall equal the federal poverty level [~~established by the~~



1 ~~federal government in 2006~~], prorated over a twelve-month period  
2 based on family size.

3       The assistance allowance provided shall be based on a  
4 percentage of the standard of need. For other work eligible  
5 households and non-work eligible households and households in  
6 which all caretaker relatives are minors, living independently  
7 with minor dependents and attending school, the assistance  
8 allowance shall be set no higher than [~~sixty two and one half~~]  
9 \_\_\_\_\_ per cent and no lower than [~~forty four~~] \_\_\_\_\_ per cent of  
10 the standard of need. For all other households, the assistance  
11 allowance shall be set no higher than [~~sixty two and one half~~]  
12 \_\_\_\_\_ per cent of the standard of need and set no lower than  
13 [~~thirty four~~] \_\_\_\_\_ per cent of the standard of need. The  
14 standard of need shall be determined by dividing the [~~2006~~]  
15 federal poverty level by twelve and rounding down the quotient.  
16 The remaining quotient shall be multiplied by the per cent as  
17 set by the director by rules pursuant to chapter 91, and the  
18 final product shall be rounded down to determine the assistance  
19 allowance; provided that:

20       (1) The department may increase or reduce the assistance  
21           allowance as determined in this subsection for work



1 eligible households for the purpose of providing work  
2 incentives or services under part XI;

3 (2) No reduction shall be allowed that jeopardizes  
4 eligibility for or receipt of federal funds;

5 (3) Reductions in the assistance allowance shall be  
6 limited to no more than one per year; and

7 (4) No work eligible household, which includes an adult  
8 who has received sixty cumulative months of temporary  
9 assistance to needy families with minor dependents,  
10 shall be eligible for an assistance allowance, unless  
11 authorized by federal regulations."

12 SECTION 3. Section 346-53, Hawaii Revised Statutes, is  
13 amended by amending subsections (c) and (d) to read as follows:

14 "(c) The director, pursuant to chapter 91, shall determine  
15 the rate of payment for domiciliary care, including care  
16 provided in licensed developmental disabilities domiciliary  
17 homes, community care foster family homes, [~~and~~] certified adult  
18 foster homes, and expanded adult residential care homes, to be  
19 provided to recipients who are eligible for Federal  
20 Supplementary Security Income or public assistance, or both.  
21 The director shall provide for level of care payment as follows:



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1           (1) Beginning on July 1, 2008, for adult residential care  
 2           homes classified as facility type I, licensed  
 3           developmental disabilities domiciliary homes as  
 4           defined under section 321-15.9, community care foster  
 5           family homes as defined under section 321-481, and  
 6           certified adult foster homes as defined under section  
 7           321-11.2, the state supplemental payment shall not  
 8           exceed \$651.90; [~~and~~]

9           (2) Beginning on July 1, 2008, for adult residential care  
 10          homes classified as facility type II, the state  
 11          supplemental payment shall not exceed \$759.90[-];

12          (3) Beginning on July 1, 2015, for adult residential care  
 13          homes classified as facility type I, licensed  
 14          developmental disabilities domiciliary homes as  
 15          defined under section 321-15.9, community care foster  
 16          family homes as defined under section 321-481, and  
 17          certified adult foster homes as defined under section  
 18          321-11.2, the state supplemental payment shall not  
 19          exceed \$ \_\_\_\_\_ ;



1       (4) Beginning on July 1, 2015, for adult residential care  
2       homes classified as facility type II, the state  
3       supplemental payment shall not exceed \$ \_\_\_\_\_ ;

4       (5) Beginning on July 1, 2015, for expanded adult  
5       residential care homes as defined under section 321-  
6       15.1 and classified as facility type I, the state  
7       supplemental payment shall not exceed \$ \_\_\_\_\_ ; and

8       (6) Beginning on July 1, 2015, for expanded adult  
9       residential care homes as defined under section 321-  
10       15.1 and classified as facility type II, the state  
11       supplemental payment shall not exceed \$ \_\_\_\_\_ ;

12 provided that beginning on July 1, 2015, the maximum state  
13 supplemental payment amounts in paragraphs (3), (4), (5), and  
14 (6) shall be changed in December of each year to include the  
15 percentage, if any, by which the consumer price index for that  
16 calendar year exceeds the consumer price index for the prior  
17 calendar year.

18       If the operator does not provide the quality of care  
19 consistent with the needs of the individual to the satisfaction  
20 of the department, the department may remove the recipient to  
21 another facility.



1           The department shall handle abusive practices under this  
2 section in accordance with chapter 91.

3           Nothing in this subsection shall allow the director to  
4 remove a recipient from an adult residential care home or other  
5 similar institution if the recipient does not desire to be  
6 removed and the operator is agreeable to the recipient  
7 remaining, except where the recipient requires a higher level of  
8 care than provided or where the recipient no longer requires any  
9 domiciliary care.

10           (d) On July 1, 2006, and thereafter, as the department  
11 determines a need, the department shall authorize a payment, as  
12 allowed by federal law, for resident clients receiving  
13 supplemental security income in adult residential care home, as  
14 defined under section 321-15.1, type I and type II facilities,  
15 expanded adult residential care home as defined under section  
16 321-15.1, type I and type II facilities, licensed developmental  
17 disabilities domiciliary homes as defined under section 321-  
18 15.9, community care foster family homes as defined under  
19 section 321-481, and certified adult foster homes as defined  
20 under section 321-11.2, when state funds appropriated for the  
21 purpose of providing payments under subsection (c) for a



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1 specific fiscal year are not expended fully within a period that  
 2 meets the requirements of the department's maintenance of effort  
 3 agreement with the Social Security Administration.

4 The payment shall be made with that portion of state funds  
 5 identified in this subsection that has not been expended.

6 The department shall determine the rate of payment to  
 7 ensure compliance with its maintenance of effort agreement with  
 8 the Social Security Administration."

9 SECTION 4. Statutory material to be repealed is bracketed  
 10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2015.

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INTRODUCED BY:

Three handwritten signatures are present on the left side of the page, stacked vertically. The top signature is the most legible, appearing to be 'John M. ...'. The middle signature is more stylized and less legible. The bottom signature is also stylized and less legible.

Three handwritten signatures are present on the right side of the page, stacked vertically. The top signature is 'Sunny M. ...'. The middle signature is 'John M. ...'. The bottom signature is 'Hakubana'.

JAN 27 2015





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**Report Title:**

Adult Residential Care Homes; Domiciliary Care Facilities; State Supplemental Payment

**Description:**

Amends the state supplemental payment amounts for specified types of adult residential care homes and other domiciliary care facilities and provides for annual adjustment. Changes the public assistance allowance to an unspecified percentage of the current federal poverty level.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

