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## HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONSIDER AN ALTERNATE METHODOLOGY FOR ESTABLISHING THE BASIC PROSPECTIVE PAYMENT SYSTEM RATES FOR INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES, TO REBASE THE RATES AT LEAST EVERY TWO FISCAL YEARS, AND TO INCREASE BED RESERVATION DAYS TO TWENTY-FOUR DAYS PER CALENDAR YEAR FOR HOSPITALIZATION AND OTHER ABSENCES OF RESIDENTS FROM INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES.

1           WHEREAS, seventeen intermediate care facilities for  
2 individuals with intellectual disabilities operated by private,  
3 nonprofit agencies provide a home and needed twenty-four hour  
4 care, active treatment, and community living for up to eighty-  
5 two individuals and serve as important components of the State's  
6 long-term care of individuals with intellectual disabilities;  
7 and

8  
9           WHEREAS, providers of services in intermediate care  
10 facilities for individuals with intellectual disabilities are  
11 compensated by per diem payments under the Medicaid long-term  
12 care prospective payment system, as provided in chapter  
13 17-1739.2, Hawaii Administrative Rules; and

14  
15           WHEREAS, chapter 17-1739.2, Hawaii Administrative Rules,  
16 provides for the Department of Human Services to establish a per  
17 diem basic prospective payment system (PPS) rate based on actual  
18 cost reports submitted by providers for a prior designated  
19 fiscal year; and

20  
21           WHEREAS, the Department of Human Services has made it a  
22 practice in recent decades to perform a rebasing of the basic  
23 PPS rate so that an intermediate care facility for individuals  
24 with intellectual disabilities provider does not have its basic  
25 PPS rate calculated by reference to the same base year for more



1 than eight fiscal years, based on cost reports submitted for one  
2 or two fiscal years before the rebased rates go into effect; and  
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4 WHEREAS, basing payment for services on the same basic PPS  
5 rate for eight years ignores costs incurred by providers  
6 resulting from changes in the level of care needed by residents  
7 and the number of employees required to provide essential  
8 services, higher wage and benefit standards, and changes in  
9 regulatory requirements and best practices; and  
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11 WHEREAS, as a result of the foregoing factors, the basic  
12 PPS rates in effect for eight years are increasingly  
13 insufficient to cover the costs of providing services to the  
14 residents of intermediate care facilities for individuals with  
15 intellectual disabilities and to compensate the caretakers and  
16 others who assist residents at a competitive fair wage; and  
17

18 WHEREAS, rebasing the basic PPS rate on a more frequent  
19 basis and ensuring a fair annual inflation adjustment would more  
20 fairly and accurately represent the cost of services provided in  
21 intermediate care facilities for individuals with intellectual  
22 disabilities; and  
23

24 WHEREAS, the basic PPS rate is paid on a per diem basis for  
25 each occupied bed in an intermediate care facility for  
26 individuals with intellectual disabilities, but not if the  
27 resident is absent at midnight, even if the facility provided  
28 services to the resident for a large portion of the day; and  
29

30 WHEREAS, chapter 17-1739.2, Hawaii Administrative Rules,  
31 allows a provider to be paid the per diem rate for up to twelve  
32 days of bed hold absence by a resident per year, except in the  
33 case of an absence or hospitalization, in which case no per diem  
34 bed hold payment is made; and  
35

36 WHEREAS, the payment for only twelve non-hospitalization  
37 bed hold days is among the lowest number of days in the nation  
38 for similar facilities, and the ongoing expenses of operating an  
39 intermediate care facility for individuals with intellectual  
40 disabilities are not materially decreased by a resident's  
41 absence for any reason, including hospitalization, resulting in  
42 a severe financial challenge to operators of intermediate care



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1 facilities for individuals with intellectual disabilities; now,  
2 therefore,  
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4 BE IT RESOLVED by the House of Representatives of the  
5 Twenty-eighth Legislature of the State of Hawaii, Regular  
6 Session of 2015, the Senate concurring, that the Department of  
7 Human Services is requested to evaluate and consider an  
8 alternate methodology for establishing the basic PPS rates for  
9 intermediate care facilities for individuals with intellectual  
10 disabilities to address the inadequacy of the existing process  
11 and to adopt rules pursuant to chapter 91, Hawaii Revised  
12 Statutes, to require rebasing of the basic PPS rates using  
13 updated cost report data at least every two fiscal years; and  
14

15 BE IT FURTHER RESOLVED that the Department of Human  
16 Services is urged to adopt rules pursuant to chapter 91, Hawaii  
17 Revised Statutes, to establish that intermediate care facilities  
18 for individuals with intellectual disabilities may reserve a bed  
19 for a resident receiving Medicaid who is absent from the  
20 facility on any day for no more than twenty-four days in a  
21 calendar year, regardless of whether the absence is due to  
22 hospitalization or other reasons; and  
23

24 BE IT FURTHER RESOLVED that certified copies of this  
25 Concurrent Resolution be transmitted to the Director of Human  
26 Services, Director of Health, and Executive Administrator of the  
27 Hawaii State Council on Developmental Disabilities.  
28  
29  
30

OFFERED BY: *[Signature]*

<u><i>[Signature]</i></u>	<u><i>[Signature]</i></u>
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MAR 12 2015

