STATE OF HAWAII

DEPARTMENT OF HUMAN SERVICES
SOCIAL SERVICES DIVISION

FINAL REPORT TO THE 2003 HAWAII STATE LEGISLATURE ON ACT 273, SLH 2001, RELATING TO HUMAN SERVICES

SUBMITTED TO THE TWENTY-SECOND STATE LEGISLATURE, 2003 BY THE DEPARTMENT OF HUMAN SERVICES

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FINAL REPORT TO THE LEGISLATURE
ACT 273, SLH 2001
December 26, 2002

I. INTRODUCTION

This is the final report mandated by Act 273, Session Laws of Hawaii (SLH) 2001, regarding the effectiveness of the new part added to Chapter 346, Hawaii Revised Statutes (HRS) relating to Home and Community-Based Case Management Agencies (HCB CMA) and Community Care Foster Family Homes (CCFFH), and on the feasibility of a single entry point system for individuals certified as requiring nursing facility level of care residing in the community.

Act 273, SLH 2001, amended Chapter 346, HRS by adding a new part allowing for the Department of Human Services (DHS) to license Home and Community-Based Case Management Agencies (HCB CMA) which in turn, were delegated with the responsibility of certifying and monitoring Community Care Foster Family Homes (CCFFH) through two distinct demonstration projects. The first project addressed counties with populations of 500,000 persons or more, and required the dedication of one placement slot in a CCFFH for a Medicaid recipient. The second project addressed counties with less than 500,000 persons with no requirement to serve Medicaid recipients.

The purpose of the new part is to promote the development and privatization of cost-effective long-term residential care options to persons requiring nursing home level of care regardless of their eligibility for Medicaid. This is in response to the current demand for reasonable, cost-effective alternatives to institutional care and to provide relief from escalating Medicaid costs.

II. IMPLEMENTATION OF ACT 273, SLH 2001

To effect the provisions of Act 273, SLH 2001, the Department implemented Chapter 17-1454, Hawaii Administrative Rules (HAR), "Licensing of Home and Community-Based Case Management Agencies," on February 11, 2002. Case management agencies are required to submit an application to the DHS and must meet the standards and requirements established under Chapter 17-1454, in order to be issued a license by the Department.

Individuals seeking to operate as a CCFFH are required to submit an application to one or more licensed CMAs. The CMA evaluates each CCFFH, documents compliance with the standards and requirements established under Chapter 17-1454 and issues a certificate of approval. Thereafter, the CMA is responsible for the monitoring of client care and re-certification of the CCFFH.

Total Number of Licensed HCB CMAs and Certified CCFFHs as of November 2002:

1. Sixteen (16) HCB CMA licenses were issued. Of the sixteen (16), ten (10) CMAs operate in a county of 500,000 or more persons (Project 1), three (3) operate in a county of 500,000 persons or less (Project 2), while three (3) operate in both (Projects 1 and 2).

2. Three hundred twenty-nine (329) CCFFHs were certified in Project 1, sixty-one (61) in Project 2 for a total of three hundred ninety (390) CCFFHs.

Total Number of Licensed CMAs: 16

Project	No. of CMAs	No. of CCFFHs	No. of Beds Available
Project 1 (More than 500,000)	10	329	658
Project 2 (Less than 500,000)	3	61	122
Both Projects 1 & 2	3	*	*
Grand Total	16	390	780

* Numbers included in Project 1 and 2 totals above.

3. Each CCFFH could be certified for a maximum of two (2) beds for a total of 780 beds of which 451 beds were the maximum available for private pay individuals. For Project 1, one (1) of the two beds (329 beds total) is required to be reserved for Medicaid patients.

III. VACANCY RATES AS OF NOVEMBER 2002

Four hundred fifty-one (451) private-pay beds were certified by the licensed CMAs for occupancy by private pay individuals. As of November 20, 2002, only eighty-two (82) were currently being filled by private pay individuals. One hundred eighty-two (182) of the private pay beds were occupied by Medicaid eligible individuals enrolled in the RACCP (Medicaid waiver). One hundred eighty-seven (187) private pay beds were still available.

Project 1 utilized 17% of the certified number of beds available for private pay individuals. Project 2 utilized 21% of the certified number of beds available for private pay individuals. Despite past concerns and objections that CCFFHs would focus on more profitable private pay residents, their primary clients continue to be Medicaid eligible individuals participating in the Residential Alternatives Community Care Program (RACCP).

IV. PLACEMENT PROCESSES

There are no differences in the admission process for private or Medicaid eligible individuals. All individuals begin the process by selecting and submitting an application to a licensed CMA. The CMA determines an applicant's eligibility, completes an individual assessment, develops a Service Plan and identifies one or more appropriate CCFFH(s) able to provide the specific care documented in the individualized Service Plan. The CMA arranges pre-placement interviews and introductions. Based upon the individual's choice, the CMA executes admission into the CCFFH and continues to monitor on-going care operations.

V. PRICING OF PRIVATE PAYS

Private pay individuals enter into a signed agreement with the CMA for case management services and the agreed upon reimbursement rate. The CMA also enters into a signed agreement with the CCFFH for certification and placement services.

The Department does not regulate reimbursement costs for the private sector. However, based upon a rate survey conducted by the Department, as of November 20, 2002, private sector fees paid to the CMA for case management services range from $417.88-$697.50 per month. Fees paid to the CCFFH for room/board and personal care range from $1,731.78 to $3,595.50 per month. The variance in the reimbursement rates appears to be related to client acuity level.

VI. COST TO THE STATE FOR PLACEMENT AND ADMINISTRATION

The Department is responsible for the issuance of licenses to CMAs through the employment of two full-time positions, a Registered Nurse and Social Worker. Salary and administrative costs are budgeted for $68,347 in FY 03.

The Office of the Attorney General receives and manages an appropriation of $65,000 each fiscal year to effectuate Federal Bureau of Investigations (FBI) criminal history checks.

No costs are incurred by the State for the placement of private sector individuals into certified CCFFHs.

VII. CONSUMER COMPLAINTS AND NEGATIVE CLINICAL OUTCOMES

The Department accepts and investigates public inquiries and complaints related to Chapter 17-1454. Department licensure staff monitors the CMAs and CCFFHs for adherence to standards and regulations. All substantiated complaints are directed to the proper authorities for action and resolution.

Since the initiation of this Act, the Department received eighty-one (81) complaints involving Medicaid CCFFHs, Private Pay CCFFHs and Care Homes. Forty (40) complaints met the Adult Protective Services criteria and were investigated. Twenty-four (24) cases were unconfirmed, fourteen (14) confirmed, and two (2) cases are still in

investigative status. All confirmations of abuse did not result in permanent disability or death of an individual.

Residential Type	Total No. of Homes	APS Reports Accepted	No. of Reports Unconfirmed	No. of Reports Confirmed	No. of Reports Pending	Rate of Confirmation
CCFFH (Private Client)	61	2	2	0	0	0%
CCFFH (Medicaid Client)	329	12	6	6	0	2%
Care Homes	686	26	8	16	2	2%*
Total	1076	40	16	22	2	

(Information from February to November 20, 2002)

* Pending reports not factored into Confirmation Percentage

VIII. SINGLE ENTRY POINT SYSTEM

The Department's interim report submitted to the Twenty-First State Legislature, 2002 dated November 19, 2001 documented the review of various Task Forces, Consortiums and Councils, written studies, and reports related to a long-term single entry point (SEP) system in Hawaii. The Department continues to recommend that a Single Entry Point System:

1. Must be defined with clear guidelines.
2. Must not control or limit an individual's application, eligibility or access to needed services.
3. Promote the dispensing of service information and referral in a cohesive manner.
4. Be compliant with the Health Insurance Portability and Accountability Act (HIPAA) and Americans with Disabilities Act (ADA) regulations regarding privacy and security.

During the past fiscal year, two major initiatives were undertaken which contain elements of a statewide SEP for nursing facility patients in community care settings. The Real Choices ACCESS Grant projected to be implemented in February 2003 will provide a statewide internet-based information system for consumers with disabilities and long-term care needs to locate and apply for needed services.

The Olmstead Plan for the State of Hawaii, completed and sent to the Governor on October 16, 2002, sets forth a comprehensive plan for people with disabilities to improve community-based living opportunities and access to services. The Plan identifies the principles, goals, objectives, activities to improve community-based living opportunities and access to services for all persons of any disability.

The Department continues to recommend a joint private/public partnership under the leadership of the Legislative Long-Term Care Task Force, for the implementation of a single entry point system.

IX. RECOMMENDATIONS

The Department respectively recommends the continuation of Act 273, SLH 2001 as a permanent program by amending Act 273 to delete the sunset date and by deleting all references to a "demonstration project" and replacing with "permanent program."

The number of elderly and disabled individuals requiring residential nursing facility level of care services continues to increase each year. Given the limited number of institutional beds and its associated high cost of care, both Federal and State governments must focus on expanding and promoting home and community-based services to contain spiraling Medicaid costs and enrollment. As a cost effective alternative to institutional care, home and community-based programs enable individuals to live in the most integrated setting appropriate to their needs, maximizes choice options, and encourages everyday life activities.

Of note, because of the cooperative spirit exhibited amongst the members of the Review Board and the Department and in recognition of the value of a forum for continued dialogue and sharing, the members have agreed to continue meeting as a voluntary, independent entity.