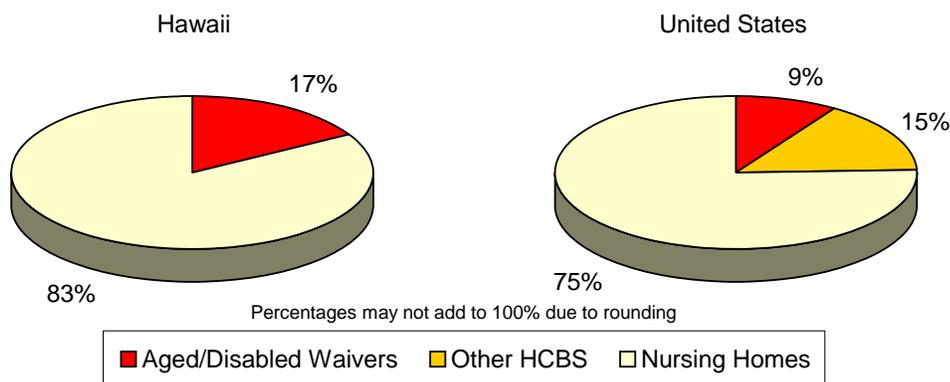


State Long-Term Care Reform in

HAWAII

Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Hawaii and the U.S., 2006



Compared to the U.S. average, Hawaii allocates a greater percentage (83 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, Hawaii spent 17 percent on waiver services.

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	923	2,043	+1,120	\$22	\$39	+\$17
Nursing Homes	4,274	5,425	+1,151	\$148	\$195	+\$47

Hawaii has an unbalanced Medicaid LTC system for older people and adults with physical disabilities, but the state serves a large number of people through a state-funded program and is expanding its Medicaid managed care program. Many more Medicaid participants receive nursing home services than receive home and community-based services (HCBS). From FY 2001 to FY 2006, the increase in spending on nursing homes was about three times as much as the increase in spending on HCBS.

Low-income, non-Medicaid-eligible consumers can apply for “Kupuna Care,” which provided adult day services, assisted transportation, attendant care, home-delivered meals,

¹ This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants’ type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

case management, chores, and personal care for 7,217 Hawaii residents in FY 2006, with state funding totaling about \$5.8 million. In May 2007, the legislature approved approximately an additional \$500,000 for each of the next two years to expand in-home and access services under the program.

Major Initiative

Hawaii is planning to integrate its Medicaid aged, blind, and disabled populations into its managed care health plan, QUEST. The new plan, QUEST Expanded Access program, will enable Medicaid beneficiaries age 65 and older, persons who are blind, and persons with disabilities to access primary, acute,

behavioral health, and LTC services under a capitated payment. QUEST will also expand services to cover institutional care and home and community-based waiver services.

“QUEST Expanded Access”

Hawaii is moving to a managed care program, called QUEST Expanded Access, for Medicaid aged, blind, and disabled populations to better integrate primary, acute, behavioral health, and LTC services under a capitated payment.

Enrollment counselors will help these Medicaid participants switch from a fee-for-service to a managed care plan. Those who do not choose a plan will be auto-enrolled. The Department of Human Services expects the managed care plans that participate in QUEST Expanded Access to increase HCBS use by a minimum of 5 percent each year. Beneficiaries will have the option of directing their own personal care, respite, and attendant care services. In addition, they will be able to pay family and friends as caregivers.

The Request for Proposals for managed care plans to participate was released in October 2007, and contracts were awarded to two health plans in February 2008.

Other Developments

Residential Care. Hawaii has several categories of residential alternatives for persons who cannot remain in their own homes but want a residential alternative to a nursing home, such as Adult Residential Care Homes, Assisted Living Facilities, and Residential Alternative Community Care facilities. However, state officials say that both the physical infrastructure of these facilities and staff resources are inadequate to meet the needs of an aging population.

The 2006 legislature enacted Senate Concurrent Resolution 144 S.D.1, urging the development of an LTC infrastructure plan for Hawaii “to ensure public safety while supporting aging in place.” A task force of local and state government officials and representatives of the provider industry convened to examine Hawaii’s regulations affecting residential care for older persons and issued a report in December 2007. The State Building Code Council is in the process of adopting recommendations for all new assisted living facilities to support aging-in-place, as requested by the Department of Human Services.

Aging and Disability Resource Centers. Two sites are being developed in two counties: a virtual site in Honolulu (Honolulu County) and a physical site in Hilo (Hawaii County). At the Hilo site, service providers from the aging and disability communities, including the Department of Human Services, co-locate with the Hawaii County Office of Aging.