

JAN 25 2006

A BILL FOR AN ACT

RELATING TO LONG-TERM CARE INSURANCE PREMIUM.

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

1 SECTION 1. The legislature finds that the approach to
2 long-term care to help Hawaii's elderly and disabled should be
3 prompted by compassion and caring, although the problem is
4 inextricably one of economics. Medicaid, medicare, long-term
5 care insurance, and personal assets are insufficient or
6 inaccessible to most individuals. Institutional care is viewed
7 by many as too costly, too consumptive of scarce public dollars,
8 confining, and uncaring.

9 National polls have shown that families are willing to pay
10 their fair share, even if it means paying a premium because
11 long-term care is a family problem, does not go away, and
12 affects the young and the old. Families are willing to pay a
13 little now rather than a whole lot more later.

14 The legislature also finds that a consumer-funded and
15 directed social long-term care insurance plan:

16 (1) Assures a floor of income protection upon retirement
17 to meet a societal need to see that elders do not live
18 and die in poverty;



- 1 (2) Benefits the majority of the adult population;
- 2 (3) Bridges the gap between the very poor and those who
- 3 are able to cover the cost of their own long-term
- 4 care;
- 5 (4) Provides long-term care benefits for younger adults
- 6 who may require but not qualify for private long-term
- 7 care insurance;
- 8 (5) Helps families in the "sandwich generation" who bear
- 9 the long-term care cost of their parents and
- 10 grandparents; and
- 11 (6) Provides some assured, even if modest, level of care
- 12 for the greatest number of citizens.

13 The purpose of this Act is to establish a universal and
14 affordable system for long-term care that provides up-front
15 financial assistance to support frail persons who wish to remain
16 in their own homes.

17 SECTION 2. There is established a long-term care insurance
18 premium program to provide home care services.

19 The department of human services shall impose a monthly
20 long-term care premium of \$10, to be collected by the department
21 of taxation from each person who is aged twenty-five to ninety-
22 eight and is a regular employee or self-employed, and deposited



1 into the Hawaii long-term care benefits fund. The premium shall
2 be increased by \$.50 - \$1 a month in the years 2006 through
3 2010. Thereafter, the amount may be increased if requested by
4 the board of trustees, who is to administer the program, and
5 approved by the legislature.

6 Individuals who are fully vested after ten years shall
7 receive full benefit payments for home care services. Those
8 partially vested shall receive proportional benefits. Payments
9 shall begin on July 1, 2009, thirty days after approval of the
10 written certification from a physician or advanced practice
11 registered nurse assigned by the board of trustees that the
12 person needs one or more long-term care services.

13 To be eligible, a vested individual must need help with two
14 or more activities of daily living or have Alzheimer's disease
15 or dementia. The benefit payment shall be \$70 a day, up to a
16 cumulative three hundred sixty-five days, for home care
17 services. Payments shall be primary to medicaid and private
18 insurance payments but shall not be made when a person is
19 receiving medicare benefits for long-term care.

20 SECTION 3. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$3,000,000, or so
22 much thereof as may be necessary for fiscal year 2006-2007, to



1 implement and fund the long-term care insurance premium plan
2 established under this Act.

3 The sum appropriated shall be expended by the department of
4 human resources for the purposes of this Act.

5 SECTION 4. This Act shall take effect on July 1, 2006.

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INTRODUCED BY: 

By Request



SB 2437

Report Title:

Long-Term Care; Insurance; Elderly, Disabled

Description:

Establishes a long-term care insurance premium programs.

