



GOV. MSG. NO. 912

EXECUTIVE CHAMBERS  
HONOLULU

July 9, 2008

LINDA LINGLE  
GOVERNOR

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fourth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: Senate Bill No. 3255 SD2 HD2 CD1

On July 8, 2008, Senate Bill No. 3255, entitled "A Bill for an Act Relating to Long Term Care" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purposes of this bill are to establish long term care goals and implementation options and appropriates \$100,000 in funding for a long term care commission.

Although establishing a commission to improve and strengthen the State's long-term care system has merit, the Legislature, private sector, and non-profits have already created numerous task forces and working groups to address this issue. I am concerned that this commission will duplicate existing efforts and could consume valuable time and resources.

The long-term crisis is upon us. Rather than creating another commission to study the issue and identify goals, we should seek immediate solutions that will help people in need. I will encourage my appointees on this commission to focus on cost-effective and practical solutions to address the provision of long term care in Hawaii.

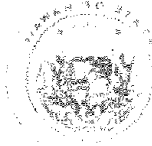
Additionally, because the funds contained within this bill fall outside the State's six-year balanced budget plan, I will instruct the Department of Budget and Finance to restrict these funds and would encourage the commission to seek private donations to carry out its mandate.

For the foregoing reasons, I allowed Senate Bill No. 3255 to become law as Act 224, effective July 8, 2008, without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE



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SENATE  
OFFICE OF THE PRESIDENT  
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A BILL FOR AN ACT

RELATING TO LONG TERM CARE.

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

PART I. FINDINGS AND PURPOSE

SECTION 1. The legislature finds that virtually all of Hawaii's elders want to age-in-place at home rather than in a care home or institution, and that many elders will require more intensive services and caregiving at the end of their lives.

Over the years, a number of initiatives have been undertaken to begin the needed transformation of the services and programs that support seniors and persons with disabilities in Hawaii, such as Quest-Ex, the expansion of Kupuna Care, the Aging and Disability Resource Center, and the Going Home Program.

However, the State of Hawaii has not taken a comprehensive look at needed systems reforms, nor developed a solid plan about how to prepare for the future service needs of these rapidly expanding, vulnerable populations.

The legislature further finds that the costs of institutional care have escalated beyond the financial means of most elders. The State's portion of medicaid expenditures has



1 increased steadily over the years and is projected to increase  
2 significantly as baby boomers begin to retire. As Hawaii's  
3 population ages, the number of frail and disabled individuals  
4 will also increase, placing a precipitous demand on the need for  
5 long term care services, as well as significant cost pressures  
6 on the state budget. The legislature therefore finds that there  
7 is a need to plan for the future to make quality long term care  
8 services as accessible, efficient, and effective as possible.

9 The legislature further finds that it is necessary to  
10 explore public and private sector approaches to support payment  
11 for long term care services, which can assist elders to  
12 age-in-place and prevent the State from becoming fiscally liable  
13 for unsustainable costs under medicaid.

14 The purpose of this Act is to establish long term care  
15 policy goals and guiding principles, and establish a long term  
16 care commission to identify needed reforms of the long term care  
17 system, research program changes and resources necessary to meet  
18 the State's long term care public policy goals, and explore an  
19 array of funding options that may help support the provision of  
20 long term care services in the future.

21 PART II. LONG TERM CARE POLICY GOALS

22 AND GUIDING PRINCIPLES



1 SECTION 2. To make possible the array of services that are  
2 necessary to meet the long term care needs of Hawaii's elders  
3 and persons with disabilities, the following shall be the long  
4 term care policy goals of the State of Hawaii:

- 5 (1) Encourage the planning of and provision for a  
6 continuum of care, up to and including the end of  
7 life;
- 8 (2) Coordinating referral, case management, and service  
9 delivery through co-location and other means;
- 10 (3) Strengthening family caregiver support systems to  
11 encourage aging-in-place;
- 12 (4) Stimulating workforce development and training  
13 programs to expand the number and capabilities of long  
14 term care service providers;
- 15 (5) Developing financial mechanisms to help Hawaii's  
16 families meet the cost of long term care;
- 17 (6) Increasing public resources to expand home and  
18 community-based care options;
- 19 (7) Fostering public understanding of caregiving issues;  
20 and



1 (8) Encouraging research and education on aging, long term  
2 care, and related subjects through the University of  
3 Hawaii system.

4 SECTION 3. The development of a long term care system in  
5 Hawaii shall also be guided by the following principles:

- 6 (1) Consumers should have as much choice as possible in  
7 the selection and use of services;
- 8 (2) Services should be accessible and foster the level of  
9 self sufficiency desired by the consumer;
- 10 (3) Programs and services serving all seniors and disabled  
11 populations should be accountable, cost effective, and  
12 provide quality care;
- 13 (4) All services should be organized and administered in a  
14 way that fosters efficient use of limited state  
15 resources;
- 16 (5) Consumers should have access to information to help  
17 them make timely and appropriate decisions when  
18 needed;
- 19 (6) Health, long term care, and social services should be  
20 connected through the use of preadmission screening,  
21 standardized assessments, care planning, coordination,  
22 and case management; and



1 (7) Technology should be used to improve accountability,  
2 efficiency, quality of care, and to help keep people  
3 in their homes.

4 PART III. LONG TERM CARE COMMISSION

5 SECTION 4. (a) There is established a long term care  
6 commission within the University of Hawaii college of social  
7 sciences public policy center for administrative purposes. The  
8 commission shall:

- 9 (1) Identify problems with current long term care  
10 capacity, programs, and services;
- 11 (2) Develop a five-year comprehensive long term care plan  
12 to accomplish long term care policy goals that, when  
13 implemented, will ensure the availability of a full  
14 continuum of institutional and community-based  
15 services, including benchmarks to evaluate  
16 accomplishments for each year;
- 17 (3) Research public and private financing options and  
18 develop recommendations about financial resources,  
19 including a mix of public and private financing,  
20 necessary to achieve needed state long term care  
21 reforms and state public policy goals;



1 (4) Monitor federal legislation for changes that may  
2 impact the program and adjust the long term care plan  
3 accordingly; and

4 (5) Collaborate with interested stakeholders, including  
5 community coalitions or organizations concerned with  
6 educating the public regarding long term care.

7 (b) The long term care commission shall consist of:

8 (1) Five members appointed by the governor;

9 (2) Five members appointed by the president of the senate;

10 (3) Five members appointed by the speaker of the house of  
11 representatives; and

12 (4) Five non-voting, ex-officio members, who are the  
13 directors of the following departments, or their  
14 designees, and who shall collaborate with and support  
15 the work of the commission, as requested:

16 (A) Department of commerce and consumer affairs;

17 (B) Department of health;

18 (C) Department of human services;

19 (D) Department of labor and industrial relations; and

20 (E) Department of taxation.

21 (c) Members shall have a background in business,

22 economics, finance, management, health care, long term care,





1 social services, or public policy development, or be an advocate  
2 for or consumer of long term care services. Members of the  
3 commission shall be appointed as soon as practicable, but by no  
4 later than September 30, 2008. Any vacancies occurring in the  
5 membership of the commission shall be filled for the remainder  
6 of the unexpired term in the same manner as the original  
7 appointments.

8 (d) A simple majority of voting members shall constitute a  
9 quorum, whose affirmative vote shall be necessary for all  
10 actions.

11 (e) The members shall serve without compensation, but  
12 shall be allowed necessary expenses incurred in the performance  
13 of commission duties.

14 (f) The University of Hawaii college of social sciences  
15 public policy center shall convene the first commission meeting  
16 as soon as practicable, but by no later than November 1, 2008.  
17 At this first meeting, the commission shall elect from among its  
18 members a chairperson, who shall convene commission meetings,  
19 and a vice chairperson, and shall adopt rules for the conduct of  
20 its work.

21 (g) The long term care commission shall:



- 1           (1) Submit an interim report to the legislature no later  
2           than February 28, 2010, describing the progress made  
3           in the development of the five-year plan and  
4           preliminary proposed system reforms; and
- 5           (2) Submit a final report to the legislature no later than  
6           September 30, 2010, which shall include the final  
7           five-year plan, how the reforms will be prioritized  
8           and phased in, and a description and final  
9           recommendations regarding the financing of long term  
10          care services, including support for caregivers.
- 11          (h) The long term care commission may:
- 12          (1) Conduct or initiate studies as it deems necessary; and
- 13          (2) Hire staff and contract with third parties to conduct  
14          studies, including an actuarial study, as it deems  
15          necessary for the purpose of evaluating various  
16          options about systems reforms and about how to help  
17          State residents pay for needed long term care and  
18          supportive services in the future. Any contract  
19          executed pursuant to this subsection shall be exempt  
20          from chapter 103D, Hawaii Revised Statutes; provided  
21          that any such contract is approved by the commission  
22          in an open meeting.



1 (i) The University of Hawaii college of social sciences  
2 public policy center shall provide administrative and policy  
3 support to facilitate the work of the long term care commission.

4 (j) The term of the long term care commission shall expire  
5 on November 30, 2010.

6 SECTION 5. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$100,000 or so much  
8 thereof as may be necessary for fiscal year 2008-2009 for the  
9 long term care commission.

10 The sum appropriated shall be expended by the University of  
11 Hawaii for the purposes of this Act.

12 SECTION 6. This Act shall take effect on July 1, 2008.

APPROVED this                      day of                      , 2008

GOVERNOR OF THE STATE OF HAWAII



