

**BEFORE THE COMMITTEE ON CONSUMER PROTECTION &  
COMMERCE  
HAWAII HOUSE OF REPRESENTATIVES**

Testimony of Stuart T.K. Ho  
Providing Information on HB2939, HD1 (HSCR109-10)  
Monday, February 8, 2010, 2:05 P.M.  
Room 325, State Capitol

May it please the Committee:

I am Stuart Ho, chairman of the long term care commission ("LTCC") created by Act 224, Session Laws of Hawaii 2008.

I appear to provide information that may be helpful to the Committee in considering HB2939, HD1 which, in relevant part, would require the LTCC to develop recommendations for funding mechanisms for the Fund, which is defined by the bill as "a long term care insurance fund."

Before going further, I should state that my appearance should not be considered an act of the LTCC. Notice of this hearing did not provide us with adequate time under the state "Sunshine Law" to convene the Commission to consider this bill and a response. Nonetheless, I think my comments might be useful to the Committee in considering the bill before you.

What is clear from a fair reading of Act 224 is that the 2008 Legislature wanted the LTCC to consider a range of alternatives in dealing with long-term care before making recommendations to the Legislature. Act 224 made no attempt to focus on one solution above all others.

Indeed, in "developing financial mechanisms to help Hawaii's families meet the cost of long term care" (Act 224, section 2), the LTCC was mandated to "research public and private financing options and develop recommendations about financial resources, including a mix of public and private financing, necessary to achieve needed state long term care reforms and state public policy goals." (*Ibid.*, section 4)

HB2939, HD1, appears to make the bill ambiguous by reciting the "consider-all-alternatives" language I've just read to you, but adding a mandate that the LTCC recommend "funding mechanisms" for "a long term care insurance fund." Arguably, this suggests that long-term care insurance should be favored above all other alternative solutions.

It would be helpful to the LTCC if this ambiguity were resolved. The bare issue is: Does the Legislature desire that a full range of financing alternatives be considered by the LTCC, or does the Legislature desire that long-term care insurance be favored above all other alternatives as the "funding mechanism" described by Act 224?

I should point out that the LTCC is already well aware of long-term care insurance as a potential "financial mechanism." We are aware of the "CarePlus" long-term care insurance plan enacted several years ago, as well as a recent public opinion poll conducted by AARP in 2008 that explored the public's receptivity to long-term care insurance. We are also aware of the long-term care insurance features included in the health care reform bills now stalled in the Congress.

If the Committee desires to assure itself that long-term care insurance will be among the alternatives considered by the LTCC, may I suggest that Act 224, section 4(a)(3), be amended to read as follows:

"(3) Research public and private financing options, including long-term care insurance, and develop recommendations about financial resources, including a mix of public and private financing, necessary to achieve needed state long term care reforms and state public policy goals;" [Language to be added underlined]

I would be happy to answer the Committee's questions.

Respectfully submitted,

Stuart T.K. Ho, Chair  
Long Term Care Commission