

STAND. COM. REP. NO.

2686

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2321  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Ways and Means, to which was referred S.B. No. 2321, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE INSURANCE,"

beg leave to report as follows:

The purpose and intent of this measure is to establish a task force to determine the feasibility of establishing a limited, mandatory, and public long-term care insurance program.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Executive Office on Aging, Policy Advisory Board for Elder Affairs, ILWU Local 142, and two individuals. Your Committees received testimony in opposition to this measure from the National Association of Insurance and Financial Advisors Hawaii. Your Committees received comments on this measure from one individual.

Your Committees find that long-term care insurance is an issue that the Legislature has attempted to address since the late 1980s. Most recently, Act 245, Session Laws of Hawaii 2002, established the Hawaii long-term care financing program to provide a universal and affordable system of providing long-term care. The board of trustees established by Act 245 recommended funding such a program with a mandatory dedicated income tax. In 2003, the Legislature passed S.B. No. 1088, C.D. 1, which would have established a funding mechanism to implement Act 245 and a long-term care income tax credit. However, the Governor vetoed the measure, and the veto was not overridden.

2012-1455 SSCR SMA.doc



This measure establishes a long-term care financing task force. However, because the groundwork for a long-term care program and financing has already been laid, your Committees conclude that it would be appropriate for the task force to expand upon previous efforts by the Legislature during the Regular Sessions of 2002 and 2003 and attendant task forces.

Your Committees note that this measure requires task force members to be reimbursed for travel expenses. Your Committees also note that an actuarial analysis is needed before the task force can ascertain if there is public sentiment for a mandatory tax to implement a long-term care insurance program. Your Committees estimate that an appropriation of at least \$200,000 is necessary to cover the expenses associated with travel reimbursement and the actuarial analysis.

Your Committees have amended this measure by:

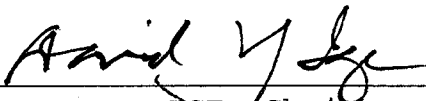
- (1) Clarifying that the purpose of the long-term care financing task force shall be to expand on prior long-term care legislation and ascertain if there is public sentiment for a mandatory tax to implement a long-term care insurance program for all residents of the State;
- (2) Specifying that members of the task force shall be exempt from chapter 84, Hawaii Revised Statutes, and shall not be considered state employees due to their service on the task force;
- (3) Requiring the performance of an actuarial analysis to provide information, such as the fiscal requirements and impacts of the program, as the basis for the task force to propose a mandatory tax to implement a long-term care insurance program to the public and specifying the contents of the analysis;
- (4) Requiring the actuarial analysis to be completed and submitted to the Director of the Executive Office on Aging by June 30, 2013, and requiring the Director of the Executive Office on Aging to submit a report, including the Director's findings and recommendations based on the analysis, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;



- (5) Inserting a blank appropriation for travel expenses for task force members and performance of the actuarial analysis;
- (6) Updating the purpose section to reflect the amended purpose of this measure;
- (7) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2321, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2321, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and Ways  
and Means,

  
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DAVID Y. ICE, Chair

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2321, SD1	HMS, CPN/WAM	3-1-12

The committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312   
  Pass, with amendments 2311   
  Hold 2310   
  Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
<b>TOTAL</b>	6	0	0	1

Recommendation:  Adopted     Not Adopted

Chair's or Designee's Signature:

**Distribution:**

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The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2321, SDI</b>	Committee Referral: <b>HMS, CPN/WAM</b>	Date: <b>2-28-12</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will				✓
FUKUNAGA, Carol	✓			
KIM, Donna Mercado				✓
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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\*Only one measure per Record of Votes