

**LATE**

**HMS TESTIFIER SIGN-UP SHEET**

If you did not submit written testimony by <sup>1:13</sup>4:00 p.m. yesterday and would like to testify, please sign-up on this sheet. Testifiers will be taken in the order signed in.

BILL NO: HB 1689

Relating to Long Term Care

NAME	ORGANIZATION	POSITION (support/oppose)
Ofen Crnkamoto	American	Support
	Council of	
	Life Insurers	

**LATE**

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS  
IN SUPPORT OF HOUSE BILL 1689, HD 1, RELATING TO LONG TERM CARE

March 20, 2012

Via e mail: [hmstestimony@capitol.hawaii.gov](mailto:hmstestimony@capitol.hawaii.gov)

Hon. Senator Suzanne Chun Oakland, Chair  
Committee on Human Services  
State Senate  
Hawaii State Capitol, Room 016  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Chun Oakland and Committee Members:

Thank you for the opportunity to testify in support of HB 1689, HD 1, relating to Long Term Care.

Our firm represents the American Council of Life Insurers ("ACLI"), a national trade association, who represents more than three hundred (300) legal reserve life insurer and fraternal benefit society member companies operating in the United States. These member companies account for 90% of the assets and premiums of the United States Life and annuity industry. ACLI member company assets account for 91% of legal reserve company total assets. Two hundred thirty-five (235) ACLI member companies currently do business in the State of Hawaii; and they represent 93% of the life insurance premiums and 92% of the annuity considerations in this State.

In 2007 the legislature passed Act 233 which enabled the State of Hawaii to establish the Public Private Long Term Care Partnership Program enacted by Congress in 2006 as part of the Deficit Reduction Act (DRA).

The purpose and intent of HB 1689, HD 1, is to implement the partnership program authorized by Act 233. The partnership program allows people to preserve some of their assets and still qualify for Medicaid by purchasing a "partnership" long term care policy or exchanging an existing policy for a partnership policy. It allows individuals to qualify for Medicaid coverage for continued long term care prior to exhausting their assets.

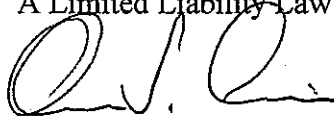
In its Conference Committee Report, the prior committee hearing the bill (the House Finance Committee), suggested that the Legislature consider reducing the asset disregard of dollar for dollar as currently provided in the bill to a fifty cents on the dollar asset disregard.

The proposed asset disregard reduction would violate the Deficit Reduction Act (DRA) which requires dollar for dollar. Accordingly, there should be no change in the dollar for dollar disregard.

ACLI generally believes that as a matter of policy the State of Hawaii should encourage families to provide for their own financial well-being. If a family is unable to support its long-term care needs, the State will need to spend its scarce resources for that purpose. The partnership program will encourage families to finance the cost of long term care themselves. ACLI, therefore, is in strong support of HB 1689, HD 1. ACLI requests that this Committee remove the defective date of July 1, 2050 and pass this measure into law.

Again, thank you for the opportunity to testify in support of HB 1689, HD 1, relating to Long Term Care.

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