

**BEFORE THE JOINT SENATE AND HOUSE
COMMITTEES ON HUMAN SERVICES
THE TWENTY-SIXTH LEGISLATURE**

**Tuesday, January 24, 2012, at 1:30 o'clock, P.M.
Conference Room 016, State Capitol
Honolulu, Hawaii**

Appearing for the State Long Term Care Commission:

Stuart T.K. Ho, Chairman of the Commission
Chair, Commission Working Group on Management
Eldon Wegner, Ph.D., Commissioner
Member, Commission Working Group on Public Finance
Russell Okata, Commissioner
Chair, Commission Working Group on Public Awareness
Linda Chu Takayama
Chair, Commission Working Group on Private Finance

**Overview in Outline of the Report of the
Hawaii Long Term Care Commission**

The Problem—and Why it Matters.

- Seven in 10 Hawaii residents will need long-term care (“LTC”) after 65.
- Cost of nursing home care in Hawaii is prohibitively expensive.
- Hawaii is greying at a faster rate than the rest of the nation.
- The caregiving population is declining.
- No one can tell how big a drain on Hawaii’s economy LTC represents.
- Low public-awareness, ranging from misinformation to “never happen to me.”

The State Government’s Approach to Long Term Care: The Two Worlds of LTC.

1. “World One”: The World of the Poor—“Quest Expanded Access” (“QExA”).
 - 225,000 (16%) in Hawaii on Medicaid, including 43,000 enrolled in QExA.
 - Approximately \$600,000,000 federal-state funds spent on 43,000 enrollees.
2. “World Two”: The Rest of Hawaii’s Population.
 - 1,175,000 (84%)—on its own.
 - Can only infer the cost of World Two economy from the cost of World One.
 - Kupuna Care; ADRC programs on Big Island and Oahu.
3. Rôles Played by State in World One and World Two.
 - Virtually all of State Government’s attention is directed to World One.
 - Players: Dept. of Health, Dept. of Human Services, DCCA (LTC insurance).

- DHS: Responsible for Medicaid LTC; protective services; vocational rehab.
- DOH: Licensing and inspection of LTC facilities; EOA; SHPDA; ADRCs.
- No unified leadership; service partner for Medicaid-driven programs.

The Commission's Approach, Findings, and Recommendations

1. First Steps:

a. What Do People in Hawaii Think? (October 2010)

- Weighted responses of 1,244 Hawaii residents, aged 18+, all four counties.
- Pay for nursing home or 24-hour care?: 62% none of cost; 32% less than half.
- Pay for two hours of home care? 34% none of cost; 35% less than half cost.
- How would you pay for round-the clock care: 31% family; 49% Medicaid.
- Many questions testing reaction to CLASS and LTC insurance.
- AARP 2011 survey of Hawaii members: 29% look to Medicare for LTC

needs.

b. What Do the "Pros" Think? (March 2010)

- "[A]most universally believed that fragmentation of the LTC system was a major problem. There was no real LTC 'system.'"
- "[D]id not believe that top government policy makers were committed to addressing long-term care issues."

2. Commission's finding: *"The long-term care system is broken."*

4. What Does the Commission Want Any Reform of LTC to Do?

- To increase public awareness of LTC through education.
- To treat the risk of needing LTC as a normal life risk.
- To protect against catastrophic out-of-pocket costs.
- To prevent dependence on welfare in the form of Medicaid.
- To improve access to long-term care services.
- To make the LTC system more responsive to consumers.
- To increase the supply of home and community-based care.
- To ensure that LTC reforms do not increase inequality.
- To design an affordable system, both to the individual and to government, that will bring additional funds into LTC.

5. What the Commission Recommends.

- Design and conduct a LTC education and awareness campaign.
- Do *not* enact tax incentives for the purchase of private LTC insurance.
- Encourage a LTC benefit as an option in life insurance contracts.
- Support funding for Kupuna Care.
- Establish a limited, mandatory public LTC insurance program for Hawaii.
- Reform the regulation of of domiciliary care facilities, including adult

residential

care homes, extended care adult residential care homes, community care fos-

ter homes, assisted living facilities, and nursing homes.

- Consolidate Hawaii state departments responsible for LTC into a single agency or department to improve accountability, efficiency, and policy coordination.
- Strengthen Aging and Disability Resource Centers (ADRCs) and expand their role.

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**Tuesday, January 24, 2012, at 1:30 o'clock, P.M.
Conference Room 016, State Capitol
Honolulu, Hawaii**

Testimony From: Eldon L. Wegner, Commissioner, State Long-Term Care Commission

Among the most important and challenging recommendations of the The Long-Term Care Commission, transmitted to the Legislature in the Final Report on January 18, 2012, is support in principle of the establishment of a modest public insurance program. However, the report recommends that studies be undertaken to assure the feasibility of this proposal. The public insurance plan envisioned would be broadly similar to the Care Plus proposal which passed the 2003 Legislative Session. Suggestions are offered in the report concerning some of the specific parameters for a public insurance plan, which differ in some respects from the 2003.

The Commission offers the following possible approach for consideration:

- The program would be financed by mandatory premiums paid for by the eligible population. The mandatory premium should be very modest, much below typical private long-term care insurance policies. Except for the proposed study and startup costs, no Hawaii general tax revenue would be used.
- The program would be mandatory for employed individuals, including the self-employed, for adults younger than age 60. No medical underwriting would be conducted.
- Participants would have to pay premiums for 10 years before they would be eligible for benefits.
- Eligibility for the benefit would be limited to people with two or more deficits in the activities of daily living (e.g., eating, bathing and dressing) or moderately severe dementia, as verified by professional staff.
- The benefit period would be limited to 365 consecutive or nonconsecutive days.
- The daily benefit would be \$70 in cash, indexed to increase 5 percent annually. Although the benefit could be used for nursing home care, it is designed primarily to finance home and community-based services.
- Eligibility for benefits would be determined by the ADRC.
- Premiums would be collected through payroll deduction, income tax filings, or periodic invoicing.
- Because the program is mandatory for the eligible population and is publicly run,

marketing costs would be low, no profits would be necessary, no taxes would be paid, and no agent commissions would be paid. As a result, administrative costs should be much lower than for private insurance.

- The insurance benefits would not be considered income under the Hawaii income tax and, to the extent possible under federal law, would be excluded from income for federal income tax, Medicaid, and other means-tested programs administered by the state.
- Funds from the proposed public long-term care insurance program may be used to pay the new copayment fees that the Commission proposes for Kupuna Care, which would generate additional revenue for Kupuna Care.

These parameters offer a beginning point for considering a modest public long-term care insurance program. However, a specific proposal for a public insurance option needs to be developed from a broader and more indepth examination of a number of issues in order to assure that the proposal would have the needed political support and would be financially viable.

At least two studies will be required, to be conducted in separate stages. First, a taskforce needs to examine the relevant issues and possible parameters of a program in order to create a politically viable proposal. The taskforce should consist of persons who support the principle of a modest public insurance program as a partial solution for financing long-term care and should include legislators as well community advocates. Concurrent with this policy study, a broad-based community education effort needs to occur in order to create greater awareness and more accurate understanding of the challenges of financing long-term care.

Second, once a specific proposal has been crafted, it can be offered to the Legislature with the recommendation that an actuarial study be undertaken, based on the specific parameters of the proposal, in order to assure a proposal which would likely meet a 75 year sustainability criterion. Should the proposal result in approval of the actuarial study, a second community educational effort would be needed to garner support for the proposed public insurance program as having positive benefits to families and the state.



To: Senate Committee on Human Services
Senator Suzanne Chun Oakland, Chair

House Committee on Human Services
Representative John M. Mizuno, Chair

Date: January 24, 2012, Conference Room 016, 1:30pm.

Re: Report of the Long-Term Care Commission Report

Chair Chun Oakland, Chair Mizuno, and Committee Members:

My name is Barbara Kim Stanton, State Director of AARP Hawaii. AARP is a membership organization of people 50 and older with nearly 150,000 members in Hawaii. We are committed to championing access to affordable, quality health care for all generations, providing the tools needed to save for retirement, and serving as a reliable information source on issues critical to Americans age 50+.

AARP commends the commitment and careful deliberations that resulted in the Long-Term Care (LTC) Commission's Final Report and offers our comments.

As the Report clearly outlines, Hawaii's system of LTC has serious problems. According to the Commission's Report, the cost of a private pay nursing home in Hawaii exceeds \$132,000 annually. That is a staggering \$11,000, on a monthly basis, and well beyond the financial reach of most Hawaii residents. As a result, most seniors will opt to live in their home as long as possible. Family caregivers are shouldering the burden of caring for their loved ones, and on any given day in Hawaii, nearly one out of 5 people provide caregiving services. Caregiving is a 24-hour job, and the resulting caregiver burnout may force seniors into nursing homes which will result in higher long-term care costs for individuals and the State.

Ironically, instead of home and community based LTC services, the Hawaii LTC system is tilted heavily in favor of institutional services. Hawaii faces serious challenges in encouraging more private funding into the LTC system and making better use of public funding, especially Medicaid. We note that the 65 and older population is expected to increase by 71% from 2010 to 2030 and that the State is not prepared to adequately address the LTC challenges at our doorstep.

The Commission clearly identifies the problem of long-term care in Hawaii: "The long-term care system in Hawaii is broken." The Commission's Final Report provides the Legislature with direction and guidance on improvements and changes to "fix" the LTC system in Hawaii. We strongly urge the legislature to enact legislation to implement recommendations in the Commission's Report. As the long-term care system is "broken," we need urgent action to help seniors and near retirees. The Legislature should work toward concrete steps to strengthening the LTC system statewide, and not wait to find the perfect solution.

In that spirit, the following are our comments on the stated recommendations in the Final Report, as well as additional AARP recommendations for consideration to help resolve Hawaii's long-term care problem. Our comments on the Final Report address the recommendations in the order that they appear and do not reflect AARP's position about their relative importance.

Comments on the Commission's Recommendations

1) Conduct a long-term care education and awareness campaign

AARP agrees with the Commission that "there is little evidence that long-term care public education campaigns have much impact on behavior."¹ In fact, AARP membership surveys showed that approximately 29% of those surveyed were misinformed and thought that LTC services would be paid by Medicare, when in most cases it does not. Despite the low impact of LTC education and awareness campaigns in other states, nonetheless, there is no question that that elevated public awareness of LTC is essential to solving the LTC problem. Meaningful reform would be difficult without a public that is better informed about LTC risks, costs and availability to themselves and their families.

AARP generally believes that a public awareness campaign should be but one of a number of elements of LTC reform in Hawaii. Further we believe that the private and non-profit sectors have a critical and in fact, necessary role for any public education and awareness campaign.

2) Do not enact tax incentives for the purchase of private long-term care insurance

AARP does not universally support or reject state tax incentives designed to encourage the purchase of private LTC insurance, but encourages policymakers to consider both the impact on tax revenues and who the incentives will likely benefit. As the Commission notes, tax incentives "may or may not induce very many people to change their behavior and purchase private insurance" and tend to benefit largely those people who would have bought policies without the tax incentives.² In such cases, the government cost per additional policy sold may be high. AARP also recognizes that these state tax incentives are often regressive – providing greater benefit to higher income individuals.

3) Encourage life insurance as a source of private long-term care funding

The Commission is encouraging the development of life insurance options as a source of private LTC funding which is an intriguing idea. This concept has been previously considered, but has not come to fruition due to many challenges. The proposed accelerated death benefit options for LTC first arose in the 1990's, but there has been little growth in this sector with many insurers abandoning the options altogether.³ The recommendation to mandate the offer of accelerated death benefits may impact the prevalence of employer-sponsored life insurance policies, and the legality of such a mandate under state and/or federal law needs to be determined.

¹ Final Report page 20.

² Final Report page 37.

³ Can 1 + 1 = 3? A Look at Hybrid Insurance Products with Long-Term Care Insurance, page 7, AARP PPI, 2007

AARP's policy is that states that do allow this funding mechanism should "regulate accelerated death, life settlement, and viatical settlement benefits to ensure full disclosure of information to consumers on the effect of accelerating benefits and should ensure that consumers receive fair actuarial compensation for the value of their life insurance."

4) Support funding for Kupuna Care

AARP strongly supports the continued maintenance and growth of Kupuna Care, and expansion of vitally needed long-term services and supports. This program provides funding for services to populations who are not eligible for Medicaid, but cannot afford services or insurance on their own. While the recommended sliding fee schedule could be a method to generate additional revenue and expand LTC, we believe that any such scale should be set at levels to protect low income beneficiaries and to not exclude individuals who cannot afford to pay fees.

5) Establish a limited, mandatory public long-term care insurance program in Hawaii

This recommendation raises many political and practical challenges. While not opposed to such a program in principle, indeed AARP actively supported the CLASS Act as part of the Patient Protection and Affordable Care Act (ACA), further study is needed as to the feasibility of a state public long-term care insurance program, given the current political and economic environment.

6) Reform the regulation of domiciliary care facilities, including Adult Residential Care Homes, Extended Care Adult Residential Care Homes, Community Care Foster Homes, and Assisted Living Facilities, and nursing homes

Given the evidence of poor quality of care in certain residential care facilities in Hawaii,⁴ we agree that regulatory reform is necessary. AARP supports strong oversight and state funding to ensure the quality of all residential care facilities and supports regulatory programs that reduce complexity in the LTC system. The State should:

- provide ongoing monitoring and independent evaluation of state LTC systems with meaningful consumer input;
- focus monitoring efforts on improving resident outcomes;
- provide sufficient oversight infrastructure, resources, expertise, and commitment to LTC quality; and
- set licensing standards that address quality-of-care issues, including requirements for an adequate number of well-trained workers and a range of services to meet consumers' needs, safety, and sanitation.

7) Consolidate Hawaii state departments responsible for long-term care into a single agency or department to improve accountability, efficiency, and policy coordination

This recommendation represents a potentially promising approach to streamlining the LTC system in Hawaii, achieving more consistent policymaking and enhanced economies of scale, and simplifying the consumer's experience. This recommendation to consolidate

⁴ See Final Report page 60.

operations allows for increased flexibility, particularly when the consolidated agency has budgeting authority to shift funds among LTC services, to increase spending on HCBS, and to improve consumer access to those services. Consolidation, including global budgeting, by giving responsibility for the budget of all LTC programs to a single administrative unit would allow the financing to follow consumers through the system as their needs and preferences change over time.

8) Strengthen Aging and Disability Resource Centers and expand their role

Hawaii's ADRC program needs improvement. AARP's recently published State Long-Term Services and Supports Scorecard (the "Scorecard") ranks Hawaii 41st in ability to access LTC through an ADRC or other single entry point.⁵ The ADRC program provides the State with an opportunity to effectively integrate the full range of LTC into a single, coordinated system. The expanded responsibilities of the ADRC contemplated by the Commission here, specifically serving as the single point of entry for the new public long-term care insurance program (if established) and Kupuna Care, raise questions on whether federal funding would be available for these services and whether the ADRC will be tailored to qualify for additional funding under the ACA. Even with any such proposed expansion, it is important not to lose sight of the broader, core purposes of the ADRC and the goal to use the ADRC to help people access home and community based services (HCBS) where possible.

AARP Additional Recommendations

In reviewing the Final Report, two areas are referenced and should be further addressed by the State and the legislature.

Establishing Clear Steps Towards Rebalancing

As noted by the Commission, although there has been progress with the implementation of Hawaii's Medicaid Quest Expanded Access program, not enough home and community-based services are provided, even though Hawaii residents have indicated a strong preference for receiving care in their homes.⁶ The Commission states a clear goal to "Increase the supply of home and community-based care,"⁷ and increased emphasis by the State is needed to address the HCBS supply deficiency and financing imbalance in Hawaii between HCBS options and institutional care.

Rebalancing should be a main focus of LTC reform in Hawaii. The recent AARP Scorecard gives Hawaii low marks on rebalancing efforts.⁸ States across the country are realizing that rebalancing is a proven strategy that can be pursued immediately to slow Medicaid cost growth in the future.

⁵ Hawaii: 2011 State Long-Term Services and Support Scorecard Results. AARP, the Commonwealth Fund, and the SCAN Foundation. September 2011.

⁶ Final Report page 1.

⁷ Final Report page 2.

⁸ The Scorecard ranks the state 42nd in percentage of Medicaid and state-funded spending going to HCBS options compared to institutional care for older people and adults with physical disabilities, 33rd in percentage of new Medicaid LTC users first receiving services in the community, and 2nd in percentage of nursing home residents with low care needs.

Although the new Quest Expanded Access program in Hawaii has shown some promise in promoting HCBS, rebalancing still stands out as an area for improvement and warrants more direct attention by the State.

Pursuing Appropriate Federal Funding Opportunities

The State should also take advantage of the significant federal funding opportunities and incentives available to the state under the Affordable Care Act (ACA) to help promote a better balance between HCBS and institutional services. For example, as Hawaii currently spends less than 50% of its Medicaid LTC dollars on HCBS, Hawaii is eligible for a 2% increase in its federal match rate for LTC by implementing structural changes to its Medicaid program.⁹ Hawaii can also choose to take advantage of the Community First Choice Option – a new Medicaid state plan option that covers attendant care services and supports for Medicaid-eligible individuals with institutional level of care need. Using this option, Hawaii would receive a 6% increase in Medicaid federal match rate for expenditures related to this option.

It is a federal Medicaid priority to improve the LTC sector in ways that will slow Medicaid spending and the ACA provides a time-limited opportunity for states to access funding to accomplish this goal. AARP encourages the State to carefully explore these and other funding options and aggressively pursue opportunities that will assist the State in meeting its LTC rebalancing goals.

In summary, we urge the Legislature to focus on enacting legislation that result in major concrete steps to accelerate LTC reform that will strengthen the long-term care system statewide so that seniors can age well and with dignity.

Thank you for the opportunity to provide comments.

⁹ State Balancing Incentive Payments Program - Initial Announcement, available at <https://www.cms.gov/smdl/downloads/Final-BIPP-Application.pdf>.

Janice S. Bond
3920 Hunakai St.
Lihue, HI 96766
January 20, 2012

Date: Tuesday, January 24, 2012, State Capitol Conference Room
016, 1:30 pm.

Re: Informational Briefing of Long-Term Care Commission
Recommendations

To: Senate Committee on Human Services, Senator Suzanne Chun
Oakland, Chair
House Committee on Human Services, Representative John M. Mizuno,
Chair

Members:

Senator Les Ihara, Jr., Vice Chair
Rep. Jo Jordan, Vice Chair

Chair Chun Oakland, Chair Mizuno and Committee Members,

Thank you for the opportunity to submit written testimony in SUPPORT of the Long-Term Care Commission Report. My name is Janice S. Bond from Lihue, Kauai, and I am a retired teacher, AARP Legislative Advocate, Senior Medicare Patrol Volunteer with the state Office of Aging, and RSVP (Retired Senior Volunteer Program) volunteer.

The enactment of legislation to implement recommendations in the Long-Term Care Commission Report is critical because:

- The Commission says the long-term care system in Hawaii is "broken." We need urgent action by the legislature to help seniors and near retirees.
- The Legislature and the State need to strengthen the long-term care system statewide so that seniors can age well and with dignity.
- The legislature does not need to find a perfect solution, rather the legislature just needs to take action now.
- The long-term care system has been analyzed and studied for decades, and seniors in need of long-term care need help now, not in one year.

My parents have both passed, but my sister dealt with my mother after Mom fell in an assisted living complex (although her injuries looked like she had been beaten) and didn't want to return. She kept Mom in her home for 1 1/2 years until my sister went on vacation and she returned Mom to the complex. Mom was there for two weeks then passed as a result of a heart attack. I don't know if had Mom been in an in-home situation if she would still be alive. My sister did not want me caring for Mom in her home and Mom didn't want to change residence to live in my place. I have also been contacted by people wanting assistance with care giving and have tried to put family members in touch with Adult Protective Services and other agencies. It is important that seniors and their families know how to get the help they need before they get stressed as many are also "sandwich" families, meaning adult kids are taking care of their parents as well as their own children or grandchildren.

I believe we need a long-term care education and awareness campaign and to support funding for Kupuna Care. I feel strongly that we also need to reform the regulation of domiciliary care facilities, including Adult Residential Care Homes, Extended Care Adult Residential Care Homes, Community Care Foster Homes, Assisted Living Facilities, and nursing homes.

I urge you to support seniors by enacting legislation to implement the Long-Term Care Commission recommendations.

Thank you for the opportunity to submit my testimony.

Sincerely,

Janice S. Bond
3920 Hunakai St.

Lihue, Kauai, Hawaii

TO: Senate Committee on Human Services, Senator Suzanne Chun Oakland, Chair
House Committee on Human Services, Representative John M. Mizuno, Chair

DATE: Tuesday, January 24, 2012, State Capitol Conference Room 016, 1:30 pm.

RE: Informational Briefing of Long-Term Care Commission Recommendations

Chair Chun Oakland, Chair Mizuno and Committee Members, thank you for the opportunity to submit written testimony in **SUPPORT of the Long-Term Care Commission Report**. My name is Kathryn Okazaki; I am a caregiver for my 97 and 94 year old parents and live in the Aiea-Halawa Heights area.

I believe it is critical that the Legislature enact the recommendations in the Long-Term Care Commission Report. The Commission Report states that the "system is broken". There are many parts to Hawaii's Long Term Care system. Some of these parts need to be reengineered and consolidated process(es) improved/streamlined so all parts will work together for accountability and policy coordination with focus on helping seniors age with dignity. All cannot be accomplished overnight. It is essential to raise awareness of these needs so that those younger than I can plan and provide for their future long term care needs.

One area that has affected my family is trying to care for my elderly parents in their own home. We caregivers need resources in place to help us keep our aging frail elders at home to help them retain their health, dignity and quality of life.

I left my job to provide care for my parents who were experiencing a variety of health problems. I found that it was too difficult to balance both work and care giving responsibilities at the same time so I gave up my steady income and retired 6 years earlier than planned. I've now been caring for them for six years and have been fortunate to keep my parents at home. Currently, my parents and I have been able to pay for the services they need. It is evident to me from speaking to many friends in my situation, that the problems/challenges I experience are not unique. I feel fortunate that I was able to retire early.. Given the high cost of care, I know that one day we will run out of money and will not be able to pay for necessary services.

Hawaii needs a program in place to help those who are unable to afford the needed services without requiring that they become impoverished. There needs to be more resources available for family caregivers to assist us in caring for our love ones.

There is an extreme urgency to move forward with improvements to the system. Please support the recommendations of the Long Term Care Commission.

Thank you for allowing me to testify.

/s/ Kathryn Okazaki

Kathryn Okazaki

99-515 Kaholi Pl.

Aiea, HI

January 21, 2012

To: Senate Committee on Human Services, Senator Suzanne Chun Oakland, Chair
House Committee on Human Services, Representative John M. Mizuno, Chair

Date: Tuesday, January 24, 2012, State Capitol Conference Room 016, 1:30 pm.

Re: Informational Briefing of Long-Term Care Commission Recommendations

Chair Chun Oakland, Chair Mizuno and Committee Members, thank you for the opportunity to submit written testimony in SUPPORT of the Long-Term Care Commission Report. My name is Keith Ribbentrop retired state employee; my last position was as the State Veterans Home Liaison Officer. I live in Volcano on Hawaii Island. The enactment of legislation to implement recommendations in the Long-Term Care Commission Report is critical because:

Long-term care in Hawaii is woefully lacking. The Commission Report affirms that Hawaii's long-term care system needs an overhaul and it is imperative that the legislature act now to assist seniors, retirees and those nearing retirement. Medical science has advanced to the point where we live longer, however, longer may not necessarily mean healthy and independent.

This Legislature as well as the State must be proactive and begin to explore a variety of possible solutions enabling seniors to age with dignity and quality of life for those who require long-term care.

There is no universal remedy. The long-term care is a very complicated issue however, the challenges will multiply as time passes and that is why action is needed now. Playing a waiting game is to invite enormous burden falling squarely on the shoulders of seniors their families and caregivers. Hubert H. Humphrey once said "that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped". Our seniors deserve support and they need support now!

Numbering among these seniors are our state veterans who have made valuable contributions to our country by protecting our Nation's ideals. Today the state veteran population is in excess of 120,587 representing approximately ten percent of Hawaii's total population. Roughly speaking, Hawaii's veteran population aged 45 and older is 88,000, 44,000 of which are over the age of 65.

The Commission Report intimates that the Yukio Okutsu State Veterans Home – Hilo is a Department of Veterans Affairs (VA) facility. In fact it is a 95 bed SNF/ICF facility that also offers an Adult Day Health Care Program. This facility is owned lock stock and license by the State of Hawaii, is managed by contract and there is no operational or maintenance cost to the State. Eligibility for the SVH is determined by the state and includes veterans and their spouses and Gold Star Parents who are disabled by age, disease or those incapable of earning a living due to disability. Services available include domiciliary, nursing home and adult day health care. VA standards for the SVH program mandate facility and quality of care that exceeds Medicare/Medicaid standards.

The VA carries out funding for the SVH program by way of two grant-in-aid programs. It may participate in up to 65 percent of the cost of construction or acquisition of State nursing homes or domiciliary or for renovations to existing State homes. When a State accepts VA SVH construction grant assistance, at least 75 percent of the bed occupants at any one time at the facility must be veterans. Twenty five percent may be spouses of veterans who have not remarried. The second part of the grant-in-aid program is per diem payments for the care of eligible veterans in State homes. There are two types of per diem: the Basic Rate and an Enhanced Rate. Paid monthly for each veteran in residence, the Basic Rate is paid in addition to any Medicaid reimbursement. Public Law 109-461 established an Enhanced Rate per diem. The Enhanced Rate reimburses the SVH for the actual cost of care for each veteran with a Service Connected Disability rated 70 percent or greater. Currently there are 3,100 veterans in the state eligible for Enhanced Rate per diems IF there were SVH facilities available.

It is not reasonable to expect that people, who spend their entire lives in a location, abandon their community and family ties for the sake of long-term care. Hawaii's unique geography poses challenges. The VA has allotted a total of 216 SVH beds to the State of Hawaii. Of the allocated beds, 95 are at the Yukio Okutsu State Veterans Home – Hilo. The remaining balance does not appear to be sufficient to meet the needs of Kauai's 6,300 veterans (2,600 older than 65), Maui's 11,751 (4,900 older than 65), or Oahu's 80,969 (29,000 older than 65).

The Commission Report correctly reports that Federal VA benefits provide a wide range of quality long-term care services including nursing home care, domiciliary care, adult day health care, geriatric evaluation and respite care. However, those benefits may be provided contingent on specific qualifications are met.

My Wife and I thought our retirement was well planned. However, neither long-term care nor long-term care insurance was a concern and long-term care insurance was not an option that we were aware of. Now, our health conditions are a concern to us. Our children have left the state following their life's path. It is an understatement to say that Long-term care, community and VA health support is woefully inadequate on the Big Island. Our dilemma in care, along with all Hawaii seniors and their families today is immediate and looming; the wave of seniors is immense.

Grant in aid programs offered by the Department of Veterans Affairs offer cost effective relief to other State Long-Term care programs while offering other benefits to the State economy. These programs need to be given serious consideration. However, at a minimum I urge you to support Hawaii seniors and her veterans by enacting legislation to implement the Long-Term Care Commission recommendations, not to act would have a cataclysmic effect, resonating through future generations. Thank you for the opportunity to submit testimony.

Keith F. Ribbentrop, United States Air Force (Ret)
Volcano, Hawaii

To: Senate Committee on Human Services, Senator Suzanne Chun Oakland, Chair
House Committee on Human Services, Representative John M. Mizuno, Chair

Date: Tuesday, January 24, 2012, State Capitol Conference Room 016, 1:30 pm.

Re: Informational Briefing of Long-Term Care Commission Recommendations

Chair Chun Oakland, Chair Mizuno and Committee Members, thank you for the opportunity to submit written testimony in SUPPORT of the Long-Term Care Commission Report. My name is Rochelle Ribbentrop and I am a medically retired former nurse who worked primarily in long-term care facilities. I live at Volcano on Hawaii Island. The enactment of legislation to implement recommendations in the Long-Term Care Commission Report is critical because:

Long-term care in Hawaii is woefully lacking. The Commission Report acknowledges that our long-term care system needs an overhaul and it is imperative that the legislature act now to assist seniors, retirees and those nearing retirement. Medical science has advanced to the point where we live longer, however, longer may not necessarily mean healthy and independent.

This Legislature as well as the State must be proactive and begin to explore a variety of possible solutions enabling seniors to age with dignity and quality of life for those who require long-term care.

There is no panacea. The issue of long-term care is complicated, however, the challenges will only increase with time and that is why action needs to begin now. To continue to wait invites a greater problem that will fall on the shoulders of seniors and their caregivers. Our seniors deserve support and they need that support now.

My husband and I thought we had planned well for our retirement. However, neither long-term care nor long-term care insurance was a concern and long-term care insurance was not an option that we were aware of. Now, our health conditions worry us. Long-term care and community health support is inadequate in our community. The plight of seniors today is immediate and looming ahead is a wave of future seniors who will face the same issues.

I urge you to support seniors by enacting legislation to implement the Long-Term Care Commission recommendations. Thank you for the opportunity to submit my testimony.

Rochelle Ribbentrop
Volcano, Hawaii

TO: SENATE COMMITTEE ON HUMAN SERVICES, SENATOR SUZANNE CHUN
OAKLAND, CHAIR

HOUSE COMMITTEE ON HUMAN SERVICES, REPRESENTATIVE JOHN M.
MIZUNO, CHAIR

DATE: TUESDAY, JANUARY 24, 2012, STATE CAPITOL CONFERENCE ROOM 016,
1:30PM

RE: INFORMATIONAL BRIEFING ON LONG-TERM COMMISSION RECOMMENDATIONS

Chair Chun Oakland, Chair Mizuno and Committee Members, thank you for the opportunity to submit written testimony in SUPPORT of the Long-Term Commission Report. My name is Linda Kapuniai. I am a Clinical Associate at Straub Clinic & Hospital and live in the Ewa Beach area. The enactment of legislation to implement recommendations such as those in the Long-Term Commission Report is critical because:

- Urgent action is needed by the legislators to help current seniors meet the challenges of advancing age in a dignified manner and to jump start awareness of younger persons regarding resources and actions that can take to help prevent and/or reduce adverse conditions that may require costly care and diminish quality of life as they grow older.
- Many programs have been developed for seniors over the years but new ideas and opportunities should be implemented now so that our aging population will not have to do without the help they need.

I do, however, have some reservations regarding the proposed mandatory public long-term care insurance program in Hawaii.

My personal concerns regarding long-term care issues come in part from my own advancing age and the circumstances that faced my mother when she attempted to live on her own at home well into her 80s. She had someone come in to do housekeeping and provide assistance with shopping and this person was felt to be a friend. As her short-term memory deficit increased she became more vulnerable to suggestions about what to spend money on and less able to realize that the caregiver was essentially stealing from her. When the situation became known, she was moved to a very nice assisted living facility. Her home had to be sold to pay for this care. She became more and more isolated and frail and died there a few years later. This experience as well as those with other older relatives has made me even more aware of the need for educated, advanced preparations as well as the importance of regulation and supervision of caregivers.

I urge you to support seniors by enacting legislation based on the recommendations of the Long-Term Care Commission.

Thank you for the opportunity to submit my testimony.

Linda Kapuniai, Dr.PH
Ewa Beach
January 22, 2012

From: Elaine Cohen [philadelphia@hawaiiantel.net]
Sent: Monday, January 23, 2012 4:15 AM
To: HMS Testimony
Subject: Testimony re: Informational Briefing of Long-Term Commission Recommendations

To: Senate Committee on Human Services, Senator Suzanne Chun Oakland, Chair
House Committee on Human Services, Representative John M. Mizuno, Chair

Date: Tuesday, January 24, 2012, State Capitol Conference Room 014, 1:30 pm.
Re: Informational Briefing of Long-Term Care Commission Recommendations

Aloha Chair Chun Oakland, Chair Mizuno and Committee Members:

Thank you for the opportunity to submit written testimony in Support of the Long-Term Care Commission Report. My name is Elaine C. Goldberg and I am a Diagnostic Radiologic Technologist, who retired from my position at Tripler -forced to retire as agency withheld my documents from the Army Benefit Center past the 30 days , which would have allowed me to convert to an individual plan. I received letter from my Federal BC/BS office indicating that my policy was canceled -if I wanted an individual plan, pre-existing conditions would not be covered. My only option was to apply for an early retirement in order to maintain my health insurance.

As the result of having received COLA, 25% of my income, which brought me to comparable wage for an X-Ray Tech, decreased my pension substantially -then being a CSCR/Offset worker reduced my monthly pension by \$350.00. I will not post my monthly pension amount, as it will nauseate you. Unlike State Retirees, Federal Retirees pay 50% of the monthly cost of our health insurance policy- we pay extra for dental plan and vision plan which is inferior to State employees plans.. I have the best plan available -co-payments have increased substantially and the initial \$350.00 payment before the plan pays for tests/procedures definitely puts a kink into your disposable monthly income.

I agree with your report, however I have no life insurance plan, as one I had would have cost me approximately \$300.00/month, and Long-term care Insurance is even higher. It seems as though your recommendations will assist a large % of residents in Hawaii, however Federal Retirees such as myself will not benefit. I do not look forward to having to apply for Medicaid/Kupuna Care if I live long enough to need long-term care, however it is good to know that it will be there when and if I need it.

Being a baby-boomer, I can also write a book on how we overpopulated programs and with the wonderful Medical Technology available, we will most likely live into our 90's. The Federal Government never planned for people to live for as long as they are and will. I am seeking employment but due to the Prejudice against people over 50, I cannot compete with someone in their 20's even though I am more qualified..

Once again thank you for thinking of the seniors and disabled in our beautiful state. When I began working for the Federal Government (total 22 years employment), if I would have been informed of things like the Windfall Elimination Act, CSCR/Offset Hazards, and PL decreasing income, I would have handled my money differently - I definitely would not have paid for their term life insurance policy for 14 years, which even if I worked until full-retirement age, could not afford and amount of benefit decreased as getting older. Forewarned is Forearmed - however myself and other long-time Federal Retirees discovered changes to our plans after the fact. If I had to do it all over, I would have never worked for the Army but rather would have worked for the State, as there were many positions available then. My pension would have been 2.5 times higher, with the wages I earned.

From: Patrick Callahan [pc70@cornell.edu]
Sent: Monday, January 23, 2012 2:33 PM
To: HMS Testimony
Subject: Long Term Care

We contacted an insurance company regarding long term care insurance, but determined we could not afford it! The premium would be around \$6,000 a year each! Please support the report of the Long Term Care Commission.

Aloha,

Pat and Nancy Callahan

Email: pc70@cornell.edu

<http://nancyandpatrick.maddsites.com/PATANDNANCY/index.html>