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To: Senate Committee on Commerce and Consumer Protection
Senate Committee on Human Services
Senator Rosalyn H. Baker, Chair
Senator Suzanne Chun Oakland, Chair

Date: February 8, 2011, Conference Room 016, 1:30pm

Re: **SB 1448, RELATING TO LONG-TERM CARE INSURANCE**

Chair Baker, Chair Chun Oakland 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 wanted to provide comments relating to SB 1448. The purpose of the bill is to establish a tax credit for taxpayers of an unspecified percentage of their annual long term care insurance costs.

Hawaii is in the midst of experiencing a dramatic increase of our aging population with Hawaii's population age 65 or older projected to increase by 86% between 2007 and 2030. More than one out of every five (22%) Hawaii residents will be age 65 or older in 2030. According to AARP's 2008 Hawaii Health and Long Term Care Survey of 1,000 + residents, nearly six in ten (57%) residents believe that Hawaii's health care and long term care are in a state of crisis or have major problems.

The Long Term Care Commission was established by Act 224, Session Laws of Hawaii 2008. The Commission is charged with:

1. Identifying problems with long term care capacity, programs, and services.
2. Developing a five-year comprehensive long term care plan to accomplish long term care policy goals.
3. Research public and private financing options and to develop recommendations about financial resources, including a mix of public and private financing.
4. Monitor federal legislation for changes that may impact the program and adjust the long term care plan accordingly.
5. Collaborate with interested stakeholders to educate the public regarding long term care.

Financing options such as tax credits in SB 1448 will be examined by the Long Term Care Commission as part of its agenda, and is a clear example as to why a comprehensive look at the

long term care system in Hawaii is needed. We appreciate your Committees' concerns relating to long term care and we wanted to inform you that:

- The Long Term Care Commission is currently preparing a report to be submitted to the legislature to address realistic possibilities for the role of the state government in implementing future long term care policy.
- A second year agenda for the Long Term Care Commission will attempt to deal with the financing of the future long term care initiatives.

We hope that your Committees' will implement recommendations that will be forthcoming from the Long Term Care Commission.

Thank you for the opportunity to submit my testimony.