

# SCR 105/SR 50

Measure Title: REQUESTING THE DIRECTOR OF THE EXECUTIVE OFFICE ON AGING TO ESTABLISH THE LONG-TERM CARE FINANCING TASK FORCE TO ASSESS THE FEASIBILITY OF ESTABLISHING A MODEST, PUBLIC, LONG-TERM CARE INSURANCE PROGRAM IN HAWAII.

Report Title: Modest, Public, Long-term Care Insurance; EOA; Task Force

Description:

Companion:

Package: None

Current Referral: HMS, WAM

Introducer(s): CHUN OAKLAND, Baker, Dela Cruz, English, Espero, Fukunaga, Galuteria, Green, Kidani

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



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**Testimony Supporting the Intent of SCR 105  
REQUESTING THE DIRECTOR OF THE EXECUTIVE OFFICE ON AGING TO  
ESTABLISH THE LONG-TERM CARE FINANCING TASK FORCE TO ASSESS THE  
FEASIBILITY OF ESTABLISHING A MODEST, PUBLIC, LONG-TERM CARE  
INSURANCE PROGRAM IN HAWAII**

**Senate Committee on Human Services  
Sen. Suzanne Chun Oakland, Chair  
Sen. Les Ihara, Vice Chair**

**Testimony of Wes Lum  
Director, Executive Office on Aging  
Attached Agency to Department of Health**

**Tuesday, March 27, 2012**

**10:00 a.m., Conference Room 224**

1 Chair Chun Oakland, Vice Chair Ihara and members of the Senate Human Services Committee,  
2 thank you for the opportunity to testify on SCR 105.

3 **EOA's Position:** The Executive Office on Aging (EOA) supports the intent of this resolution  
4 provided that its enactment does not reduce or replace priorities within our Supplemental Budget  
5 Request. However, if a task force is established, we would like to add that each of the Counties'  
6 Area Office on Aging also be included on the task force.

7 **Purpose and Justification:** This resolution requests that the Director of the Executive Office on  
8 Aging establish the Long-Term Care Financing Task Force to assess the feasibility of establishing  
9 a modest, public, long-term care insurance program in Hawaii, which was supported in principle  
10 by the Long-Term Care Commission. While we support the intent of the establishing a task force

- 1 to assess the feasibility of a long-term care insurance program, currently, EOA does not have the
- 2 resources available to staff this task force.
- 3 Thank you for the opportunity to testify on SCR 105.

Senate Committee on Human Services  
Senator Suzanne Chun Oakland, Chair  
Senator Les Ihara, Jr., Vice Chair

**Hearing on March 27, 2012 at 10:00 am**

**SCR 105 / SR 50 -- REQUESTING THE DIRECTOR OF THE EXECUTIVE OFFICE ON AGING TO ESTABLISH THE LONG-TERM CARE FINANCING TASK FORCE TO ASSESS THE FEASIBILITY OF ESTABLISHING A MODEST, PUBLIC, LONG-TERM CARE INSURANCE PROGRAM IN HAWAII**

Chair Chun Oakland, Vice Chair Ihara and Members of the Committee, the National Association of Insurance and Financial Advisors (NAIFA) Hawaii is made up of life and health insurance agents throughout Hawaii, who primarily market life, annuities, long term care and disability income insurance products.

These resolutions are the result of part of the recommendations of the Hawaii LTC Commission that submitted its report to the Legislature earlier this year. The Director of the Executive Office on Aging is tasked with establishing a task force to study the feasibility of establishing a modest, public, LTC insurance program. The task force will take a more in depth look on the financial viability, program administration, collection of premiums, cost of insurance premiums, issues relating to covered benefits, and political support.

Although these measures ask for a feasibility study, we have long opposed any mandatory financing program for LTC.

We would also like to offer **comments** on the issues confronting the work of the task force as stated on page 2. Funds were released for the Care Plus work in 2003. However, without funding to update the actuarial work from the 2003 Care Plus proposal, the task force will not have the tools to adequately determine and evaluate the very issues they are tasked to address. Each program design will have differing actuarial assumptions and therefore, premium amounts. If employees are required to participate, then the collection and disbursement of the tax may fall to employers...another cost in a weak albeit improving economy. A representative from an employer type organization should also have a seat on the task force as Care Plus looked at contributions by employees.

Thank you for allowing us to share our view and comments.

Cynthia Takenaka, Executive Director  
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