NEIL ABERCROMBIE
GOVERNOR OF HAWAII

LORETTA FUDDY, ACSW, MPH
DIRECTOR OF HEALTH

STATE OF HAWAII
EXECUTIVE OFFICE ON AGING
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Committee on Consumer Protection and Commerce

HB1, RELATING TO LONG TERM CARE

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

Monday, February 1, 2013; Conference Room 325

2:30 p.m.

EOA's Position: The Executive Office on Aging (EOA) supports this measure and notes that the Governor's Biennium Budget appropriates $380,000 for a feasibility study and actuarial analysis of a limited, mandatory, public long term care insurance program for the State.

Fiscal Implications: Appropriates $380,000 for FY2013-2014 for the performance of an actuarial analysis.

Purpose and Justification: This proposal is based on a recommendation of the Hawaii Long-term Care Commission. We note that the Governor's Biennium Budget appropriates $380,000 for a feasibility study and actuarial analysis of a limited, mandatory, public long term care insurance program for the State. Should this measure pass out of your committee, we would recommend that a feasibility study be part of the mandate. The feasibility study should be conducted simultaneously with the actuarial analysis to craft the details of the social insurance proposal, thus addressing (1) the policy options which were identified in the Long-term Care Commission's report and (2) the potential costs of the policy options. Thank you for the opportunity to testify.

TO: HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
Rep. Angus I.K. McKelvey, Chair

FROM: Eldon L. Wegner, Ph.D.
POLICY ADVISORY BOARD FOR ELDER AFFAIRS (PABEA)

HEARING: 2:30 pm Monday, February 4, 2013
Conference Room 325, Hawaii State Capitol

SUBJECT: HB 1 Relating to Long-Term Care (Kupuna Caucus Package)

DESCRIPTION: This bill appropriates funds to the Executive Office on Aging to contract for an actuarial analysis of a proposed mandatory limited public long-term care insurance program for persons employed in Hawaii and requires a report to the Legislature.

POSITION: The Policy Advisory Board for Elder Affairs **strongly supports HB 1 with a suggested amendment.**

RATIONALE:

The Policy Board for Elder Affairs has a statutory obligation to advocate on behalf of the senior citizens of Hawaii. While we advise the Executive Office on Aging, we do not speak on behalf of the Executive Office of Aging.

The Long-Term Care Commission submitted its recommendations to the Legislature on January 18, 2012. The Commission recommended a limited mandatory public long term care insurance program for employees as a viable way to increase funding for the expanding need for long-term care services and which would provide persons meeting the vesting period with a limited but meaningful benefit should they face the need for long term care. No other option considered would raise revenue for long-term care and provide coverage to the vast majority of residents.

This bill appropriates funds to the Executive Office on Aging to contract for an actuarial study which would provide cost estimates for the program to have a 75 year viability and assist in determining the combination of premiums and benefits to meet this goal. This is a necessary first step in obtaining the information needed to offer a proposed bill to establish the program in a future session of the Legislature.

Suggested Amendment:

We suggest that this bill be amended to fund two studies, both of which are needed before a proposal can be offered for consideration by the Legislature. These two studies are 1) a policy analysis as the basis for crafting a politically viable proposal and 2) an actuarial study to determine the financial viability for 75 year sustainability of the program. These studies, which require different types of expertise, need to be conducted simultaneously and in collaboration with one another. A more detailed explanation of the two domains of study follows:

The policy analysis. First, a policy analysis is required to craft details of the social insurance proposal, addressing a set of options and issues which are identified in the Commission Report. The goal of this study is to decide the parameters of the program, such as the nature of financing, e.g. a flat rate or graduated rate of premium, eligibility criteria for receiving benefits, the length of time to be vested, and the value of benefits offered and administrative arrangements for managing the insurance funds, mechanisms of assessing eligibility, acceptable providers of needed services, and so forth. The goal should be a proposal which would be most politically viable, would have the strongest support of the community, and would provide meaningful financial help to those most in need.

The actuarial analysis. An actuarial analysis is a technical study of the financial consequences of adopting a program with specific parameters proposed by the policy analysis. This information is important in considering the needed level of the premiums paid into the program and the level of benefits offered under alternative parameters which the policy analysis is considering. Collaboration between the two studies is very desirable.

Thank you for allowing me to testify on this bill.

To: Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair

Date: February 4, 2013, Conference Room 325, 2:30 p.m.

Re: **HB1 – RELATING TO LONG TERM CARE**

Chair McKelvey and Committee Members:

My name is Steve Tam, Director of Advocacy for AARP Hawaii. AARP is a membership organization of people 50 and older with nearly 150,000 members in Hawaii. AARP fights on issues that matter to Hawaii families, including the high cost of long-term care; 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 **strongly supports HB1 - Relating to Long Term Care**. This bill appropriates $380,000 for an actuarial analysis for a limited, mandatory, public long-term care insurance program for Hawaii's working population.

Hawaii Long-Term Care Commission Recommendation

The Hawaii Long-Term Care Commission in its 2012 Report to the Hawaii Legislature recommended the establishment of a limited, mandatory public long-term care insurance program for the working population, which would be funded by worker premiums rather than state general revenues. The Commission specified that details on the implementation and design of the program would depend upon an actuarial analysis, which the Commission was not able to conduct due to time and cost constraints.

Long-Term Care Challenges Faced by Hawaii

A public long-term care insurance program was recommended to address the many long-term care related challenges being faced by boomers and their children:

1. Hawaii's population is aging rapidly. There were approximately 206,000 people over 65 years old in Hawaii in 2012, and that number will increase by 61% to 331,000 in 2032.[1]
2. Approximately 69% of people who turned 65 in 2005 will need long-term care before they die.[2]
3. Hawaii long-term care costs are among the highest in the nation and unaffordable by most Hawaii residents. E.g., the annual cost of a nursing home is more than double (2.49) times the median age 65+ household income.[3]
4. Only 12% of Hawaii residents over 40 years old have a long-term care insurance policy.[4] The reason cited for not purchasing a policy is the cost, and the preoccupation with meeting daily living expenses.[5]
5. Federal health care programs such as Medicare are not designed to cover long-term care costs (other than limited coverage in skilled nursing facilities). Medicaid pays for long-term care, but only for those with limited assets and income.

6. The State's primary long-term care program, Kupuna Care, served approximately 6,981 people in 2012,[6] which is only a small portion of the senior population that could be potentially served.
7. Unpaid family caregivers, provide the bulk of long-term care services. There are approximately 247,000 caregivers in Hawaii.[7] The primary caregiver group is 50-64 years old. Unfortunately this group will make up less of the population in the future, as this group accounted for 19.1% of the population in 2012, but will account for only 16.1% of the population in 2032.[1]

Broader Solutions Needed to Address Aging Issues

As current programs and services are not able to help most residents needing long-term care, the Long-Term Care Commission recommended a Public Long-Term Care Insurance Program. A key advantage of such a program is that it would benefit the majority of the adult working population. The Commission offered the following approaches, which would need to be addressed by an actuarial analysis:[8]

1. Mandatory premiums would be set at rates below the typical private long-term care insurance policy.
2. Except for the study and startup costs no Hawaii general revenues would be used.
3. The program would be mandatory for working individuals under age 60.
4. Participants would need to pay premiums for 10 years to be eligible for benefits.
5. The benefit period would be limited to 365 days.
6. The daily benefit was targeted at $70 per day.

Many Residents Would Support a Public Long-Term Care Insurance Program

A new AARP Hawaii survey[5] conducted in November 2012 found that:

1. 59% of 50+ residents in Hawaii would support a public long-term care insurance program where they would pay a monthly premium.
2. 36% would be willing to pay between $50 and $74 per month in premiums.
3. 29% would be willing to pay between $75 and $124 per month in premiums.
4. 24% would be willing to pay between $125 and $199 per month in premiums.

Proposed Amendments to HB 1

The bill should be amended to clarify that the program would provide benefits to the working population that contributed to the plan. The bill references that the program would provide a measure of financial protection to individuals that are uninsurable, however, if individuals have not contributed they would not be able to receive benefits. Additional amendments are suggested based on recommendations in the Hawaii Long Term Care Commission Report and the subjects covered in the 2002 "Actuarial Report to the Executive Office on Aging on the Proposed Hawaii Long-Term Care Financing Program."

AARP proposes that HB 1 be amended as follows:

1. Section 1, paragraph 2 be amended by adding the following:

    The legislature also finds that a public insurance program designed to provide modest income support financed through mandatory contributions by the working-age population would provide a measure of financial protection for <u>those</u> individuals who ~~are uninsurable and~~ require long term care. In principle, a proposed public insurance program would be similar to social security. Much like social security, a public insurance program would not be intended to meet all long term care needs, but would instead supplement private initiatives such as private long term care insurance.

2. Section 2, subsection (b) be amended as follows:

   (b) The actuarial analysis shall contain a statement by the actuary certifying that the techniques and methods used are generally accepted within the actuarial profession and that the assumptions and cost estimates used are reasonable. The analysis shall include:

   (1) ~~The amount of the mandatory tax required to implement a mandatory long term care insurance program in the State;~~ A projection of the contribution rates necessary to keep the trust fund dedicated to providing long-term care benefits actuarially sound over the short-range and long-range future periods;
   (2) ~~A statement on whether the mandatory tax should be an income tax, payroll tax, or dedicated percentage of a general excise tax;~~ Method of collecting premium (e.g., payroll deduction, income tax filing, mailed invoice, etc.)
   (3) An estimate of the expected future income to and disbursements to be made from the trust fund in future years;
   (4) A projection of the amount of benefit each resident of the State would derive from paying into a trust fund dedicated to providing long term care benefits;
   (5) An estimate on how long the ~~tax~~ contributions would need to be collected before benefits could be paid out; ~~and~~
   (6) An estimate of the likely impact on Medicaid rolls, if any;
   (7) A statement on the minimum and maximum age for employed persons to be eligible to enroll (e.g., ages 30-60).
   (8) Definition of “employment” for purposes of determining eligibility of benefits.
   (9) Minimum period of premium payment before eligibility of benefits.
   (10) A statement on the length of covered benefit (e.g., 1 or 2 years)
   (11) A statement on the amount of cash benefit, and whether it varies by disability level, and whether it has an inflation adjustment over time.
   (12) A statement on whether individuals need to pay in for life, until retirement, or until they have paid in for a specified number of years.
   (13) A statement on whether premiums should be level or increase with inflation over time.
   (14) Whether low income individuals should be exempted from participation.
   (15) A statement on how the program should be administered.
   (16) A statement of actuarial assumptions and methods used to determine costs and a detailed explanation of any change in actuarial assumptions or methods.

In summary, a public long-term care insurance program provides a long-term care financing solution that would expand the number of people who would receive benefits to help pay for future long-term care costs. An actuarial analysis is necessary to determine the parameters for such a program.

We urge you to support HB 1.

Thank you for the opportunity to testify.

[1] AARP Across the States, 2012, Profiles of Long-Term Services and Supports
[2] Kemper, Komisar, Alecxih, Long-Term Care an Uncertain Future: What Can Current Retirees Expect, 2005. Inquiry 42(4): 335-350.
[3] AARP A New Way of Looking at Private Pay Affordability of Long-Term Services and Supports, 2012
[4] AARP 2011 State Long-Term Services and Supports Scorecard
[5] AARP Hawaii Survey of Hawaii 50+ Residents on Long-Term Care,2012.
[6] Hawaii Executive Office on Aging, Section II, Utilization and Expenditure Profiles, 2012.
[7] AARP Valuing the Invaluable, 2011 Update, The Growing Contributions and Costs of Family Caregiving
[8] Long-Term Care Reform in Hawaii: Report of the Hawaii Long-Term Care Commission, January 18, 2012

Hawai‘i Alliance for Retired Americans

AFT Hawaii Retirees
HGEA Retirees
HSTA – Retired
ILWU Retirees
Kokua Council
UPW Retirees
Hawaii Family Caregivers Coalition
Kupuna Education Center

An affiliate of the Alliance for Retired Americans
c/o HEA 1953 South Beretania St., Suite 5C · Honolulu, Hawaii 96826

(Submitted by email to: CPCtestimony@capitol.hawaii.gov

Testimony of Al Hamai on HB1, Relating to Long Term Care

House Committee on Consumer Protection and Commerce

February 4, 2013, 2:30 p.m. Conference Room 325

Chair Angus L.K. McKelvey and Members of the Committees,

HARA supports HB 1 because it is an important and necessary step to again seriously address a major concern of the growing number of seniors, their families and our state for providing for and funding a system of long term care in our state.

Enactment of this bill, with adequate funds, will enable the Executive Office of Aging to contract an actuarial analysis for a limited public long term care insurance program for our working population.

Back in 2002 the Legislature, in its wisdom and courage, enacted Act 245, which established the Hawaii long term care financing program, known as the Care Plus Program. The following year the Legislature approved a bill to implement the program with the tax necessary to fund it. But the bill was vetoed by Governor Lingle and was not overridden by the legislature, sad to say.

So we are back, and we'll keep on coming back, to support, this time, a more limited public long term care insurance program.

We urge your Committee to approve HB1.

Mahalo and Aloha.

HARA is a strong voice for Hawaii's retirees and seniors; a diverse community-based organization with national roots; a grassroots organizer, educator, and communicator; and a trusted source of information for decision-makers.

NAIFA
HAWAII

House Committee on Consumer Protection & Commerce
Hearing Date: February 4, 2013
Time: 2:30 pm Room 325

RE: HB 1 – Relating to Long Term Care

Chair McKelvey, Vice Chair Kawakami 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.

HB 1 is a product of one of the 2012 Long Term Care Commission's (Commission) recommendations **to study a public insurance program to provide modest support through mandatory contributions.** Funding was not appropriated last session nor did the LTC Commission have the funding to undertake a sound financial analysis.

This measure directs the Director of the Executive Office on Aging to contract for an "actuarial analysis for a limited, mandatory, public long term care insurance program for the State's working population" and appropriates $380,000 for an actuarial analysis.

We do **not** support this measure because in principle, we are opposed to a mandatory (tax) financing program. There is a difference in the scope of the actuarial work done back in the early 1990's under the Waihee administration for the Family Hope Program that was not enacted and again in 2002 with the Care Plus Program that the Legislature passed but vetoed by Governor Lingle.

No other state has a mandated taxing program.

Population/aging statistics have changed over the past 20 years and this proposed actuarial study is very broad in scope. The amount appropriated has to be realistic to ensure a sound study and parameters for the study should be determined first. A "limited" LTC program will benefit seniors; baby boomers moving through the system will be supported by the young and healthy.

IRS and HIPAA will need to weigh in as to the tax status of the paid out benefits. HIPAA compliance (consumer protection issues such as guarantee renewable, offer inflation protection, non forfeiture options) for LTC benefit payouts ensures a tax free benefit. If not compliant with HIPAA, then it will be taxable benefit.

Additionally, if the LTC tax is deemed a state income tax, state taxes are deductible and it will reduce the general fund revenue. Another way of looking at it is that the general fund will subsidize the mandatory LTC program.

Other considerations were **not** recommended by the 2012 LTC Commission report. In 2010, 80% of respondents in the Hawaii LTC Survey **favored** tax incentives for the purchase of LTC insurance – 33% chose tax incentives for private LTC insurance more specifically, according to the LTC Commission's final report. The Commission **rejected tax incentives** for purchasing LTC insurance and **did not recommend nor oppose the Medicaid/LTC public-private partnership plan that 44 states have already adopted.**

The public-private Partnership program needs enabling legislation for Hawaii to participate. States that approve the program may extend Medicaid coverage to participants who purchase LTC insurance through the program, to be able to protect some or all of their assets from the Medicaid spend down requirements, **within income limits**. The partnership program is designed to encourage the purchase of LTC insurance and incur savings both to Medicaid, by delaying or preventing spend down to Medicaid eligibility, and to individuals, by having them rely on their LTC insurance policy to cover LTC expenditures that would otherwise be paid by personal income and savings.

LTC insurance can be expensive for older adults due to more health issues but can be affordable for our younger citizens. The group LTC insurance market which has more discounting factors in the premium has changed considerably over the past 3 years and "true groups" (except for very large employers) policies have been taken off the market. Issues dealing with claims due to longevity, terminal medical issues in the 1990s are now chronic today which makes claims continue for a longer period than priced, low investment return in today's market, less stringent underwriting, inadequate pricing, and low lapse rates…all have lead to more individual underwriting.

Employers can offer LTC including qualifying for some discounts and generally with simplified health underwriting.

The Community Living Assistance Services and Supports (CLASS) Act was recently repealed as part of the ACA in H.R. 8, the "fiscal cliff" measure passed by Congress on January 1, 2013. The CLASS Act would have provided LTC/disability insurance through an employer based automatic deduction system, albeit a voluntary system. The plan would have provided

$50 daily cash benefit but the program was structured to collect premiums for 5 years before payout of benefits. The Dept of Health and Human Services determined that the system could not be self sustaining and solvent for 75 years and suspended the implementation in October 2011.

H.R. 8 now sets up a new federal Commission to study and recommend to Congress, ways to address America's LTC needs and to report back in September 2013.

Unlike private insurance, social insurance does not price risk. A mandatory program may require exactly the same amount of premium into the reserve fund regardless of the level of risk each brings into the risk pool. Therefore, as social insurance, it does not reward low risk with a correspondingly lower premium nor does it charge high risk a correspondingly higher premium.

Thus, a mandatory program compels low-risk participants to subsidize high-risk participants. By pricing risk based on objective underwriting, private insurance has the opposite effect of rewarding responsibility and punishing irresponsibility through actuarially equitable premiums.

Other issues include: a) A flat tax is regressive as it punishes low to moderate incomes; b) How will the tax be collected?; c) If tax collected via payroll, employers will incur additional financial burdens; d) New bureaucracy created to administer mandate program; e) The Care Plus Program from 10 years ago would have pulled out $90 million annually.

LTC issues are very complex with many factors involved and there is no magic bullet. If a LTC mandatory tax program gets approved in Hawaii, then the federal Medicaid/LTC public-private Partnership program (Alaska, Utah, New Mexico, Mississippi, Michigan, Delaware & Hawaii have **no** plans) and tax incentives for LTC insurance premiums should also be enacted. At the very least, the parameters for this actuarial study should include the Partnership program and tax incentives for LTC insurance premiums.

Mahalo for allowing us to share our views.

Cynthia Takenaka, Executive Director
Phone: 394-3451

February 3, 2013

TO: Representative Angus McKelvey, Chair Consumer Protection and Commerce Committee
Representative Derek Kawakami, Vice Chair
Representative Della Au Belatti
Representative Tom Brower
Representative Rida Cabanilla
Representative Romy Cachola
Representative Mele Carroll
Representative Cindy Evans
Representative Sharon Har
Representative Ken Ito
Representative Chris Lee
Representative Clift Tsuji
Representative Ryan Yamane
Representative Bob McDermont
Representative Cynthia Thielen

February 4, 2013; 2:30 p.m. Conference Room 325

FR: Sharon Otagaki, LSW; ACSW

RE: HB 1 Relating To Long Term Care - Support

Chair Angus McKelvey, Vice Chair Derek Kawakami, and Members of the Consumer Protection and Commerce Committee, my name is Sharon Otagaki and I am the Chair of the Legislative Committee of the National Association of Social Workers (NASW), Hawaii Chapter. NASW is the largest professional organization of social workers in Hawaii with over 950 members, and advocates for policy and legislation that contributes to the quality of life for our citizens. NASW supports HB 1 Relating To Long Term Care.

NASW acknowledges that long-term care costs continue to rise and is unaffordable for many Hawaii residents. The majority has no long term care insurance to rely on when nursing care becomes imminent. It is therefore necessary to revisit the possibility of a limited, mandatory, public long-term care insurance program as a viable way to provide insurance coverage for many people in Hawaii. In order to build community consensus and support for this option, the Director of the Executive Office on Aging will contract an actuarial analysis for a limited, mandatory, public long-term care insurance program.

Once again, NASW supports HB 1, and asks for your favorable consideration. Thank you for the opportunity to testify.

To: Committee on Commerce and Consumer Protection,
Angus McElvey, Chair and Derek Kawakami, Vice Chair

Date: Monday, February 4, 2013, State Capitol Conference Room 325, 2:30 p.am.

Re: HB1 Relating to Long Term Care

Chair McElvey, Vice Chair Kawakami and Committee Members:

Thank you for the opportunity to submit written testimony in STRONG SUPPORT of HB 1, Relating to Long Term Care. My name is Barbara J. Service and I am an AARP volunteer who lives in Senate District 8 and Representative District 19.

One of the recommendations of the Long Term Care Commission (2010) was to explore the feasibility of public long-term care insurance paid by the working population in Hawaii. It is anticipated that 70 % of those over 65 (as well as may under 60) will need long-term care and only 12% of those over 40 in Hawaii have such insurance.

Please support the financing of an actuarial analysis to determine the parameters for a public long-term care insurance program.

I strongly urge your support of HB1.

Barbara J. Service

Kahala

To: Committee on Consumer Protection and Commerce, Representative Angus L.K. McKelvey, Chair

Date: Monday, February 4, 2013, State Capitol Conference Room 325, 2:30 p.m.

Re: HB1 - Relating to Long Term Care

Chair McKelvey and Committee Members:

Thank you for the opportunity to submit written testimony in STRONG SUPPORT of HB1 Relating to Long Term Care. My name is Mrs. Chalintorn N. Burian Ph.D. and I am a retiree, with a 89 year-old who has been bed-ridden due to Parkinson's Disease. I live in the Paauilo-Mauka area on the Big Island. I seek your strong support in passing the bill HB1. The passage of this bill is vital as:

- Long-term care services are largely unaffordable to me and my relatives, such as now experienced by my mother's situation. Most of my family and relatives need to spend their paychecks on daily living expenses for themselves, their children and grandchildren.
I am of the baby-boomer generation. Lots of us are entering aging at the same time. The study shows that approximately 70% of people age 65 and older will need long-term care services in their lifetime. I don't want to depend upon my family to help with my future long-term care needs. I am aware that there are some private long-term care insurances. However, my family cannot afford to purchase private long-term care insurance, even though it will pay for a large portion of their future long-term care costs. A lot of us are hoping for a public long-term care insurance program which will go a long way in helping our families pay for future long-term care costs. We would support an affordable public long-term care insurance program. Even a modest benefit from a long-term care insurance program would give us more peace of mind.

- I understand that The Hawaii Long-Term Care Commission in its 2012 report to the Legislature indicated that a limited, mandatory public long-term care insurance may be the only option that will provide insurance coverage to a majority of residents and benefit people with a wide range of income and assets. I would like to better understand the premiums and benefits with a public long-term care insurance program. An actuarial analysis would provide a basis for determining the parameters of a public long-term care insurance program.

I urge you to support not only seniors, but younger generations by voting **yes** on HB1.

Chalintorn N. Burian, Ph.D.
Paauilo-Mauka, Hawaii District

P.O. Box 366

Honokaa

HI 96727

Phone: (808) 775-1064

To: **Committee on Consumer Protection and Commerce, Representative Angus L.K. McKelvey, Chair**

Date: **Monday, February 4, 2013, State Capitol Conference Room 325, 2:30 p.m.**

Re: **HB1 - Relating to Long Term Care**

Chair McKelvey and Committee Members:

Thank you for the opportunity to submit written testimony in STRONG SUPPORT of HB 1 - Relating to Long Term Care. My name is Mary D Wagner and I am a concerned Wailuku, Maui citizen.

I strongly support the passage of this bill and believe this bill is vital to all members of our community.

As a boomer, I am someone who has experienced serious health challenges in recent years. While ill, I was forced to travel to the mainland to seek care and assistance from family (a sibling). I would have preferred to remain in the shelter of my own home while receiving treatment. However, that was not possible for me, but this bill will make it possible for others who may find themselves faced with a similar situation. No one plans to be a burden, financially, physically, or emotionally, to his or her families. However, a lack of planning, whether by ourselves or governmental leaders, along with individual circumstances, cause this to happen every day.

Because of my personal experiences, I understand the need for long-term care and ask for your consideration and support of HB 1 to ensure that care is available for others and me when the need arises.

The private long-term care insurance industry is shrinking and prices are rising. In addition, carriers are limiting their coverage. According to a September 19, 2012 report by Moody's, since 2010, five key insurance carriers have exited the long-term care market. They include Prudential and MetLife. John Hancock remains as the dominant provider. Long-term care insurance rates are rising and offer fewer benefits.

Long-term care affects the middle class the most as they are the ones who risk losing their properties and lifelong savings to the growing costs of care for themselves or other family members. You should understand that Hawaii families risk losing all assets, even those hard earned retirement funds and long held family properties, to the rising costs of long-term care.

Because private long-term insurance providers are fleeing the market and those remaining are escalating prices, it is crucial that the State of Hawaii provide direction and take the lead on this issue. We need to provide a public option for a long-term care insurance program.

Representatives, I urge you to support our aging community by voting yes on HB 1.

Mary D Wagner
Wailuku, Maui

To: Committee on Consumer Protection and Commerce
Representative Angus L.K. McKelvey, Chair
Date: February 4, 1013 State Capitol Conference Room 325 2:30 PM

RE: Relating to Long Term Care

Chair McKelvey and Committee Members:

Thank you for the opportunity to submit written testimony in strong support of HB 1 Relating to Long Term Care. I am an individual that is concerned for my own long term care that is coming up in the not-too-distant future. Unfortunately, my family cannot afford to purchase private insurance for my long-term care, regardless of the amount any policy promises to provide. Even with a policy in force, I also cannot trust the insurance industry providers to pay for my care when asked to do so.

Living in my own home as we all age is one option, and like so many others, I hope to continue to live in my comfortable place. However, 70% of people age 65 and older will need long-term care services in their lifetime due to prolonged physical illness, disability or cognitive impairment. Any one of these options will keep me and others from living independently so living in my own home may not be an option.

Cost for such care in prohibitive. At an annual cost of $17,500 for adult day care, up to $126,000 for nursing home care, such care is out of my affordability range. Family members often provide caregiving services, but must work outside the home in order to provide for their own families. I don't want to depend on my family to help with my future long-term care needs.

Your assistance in passing HB1 (the companion to SB104) is requested.

Sincerely,
Ms. Laurel Leslie
223 Aikapa St
Kailua, HI 96734

kawakami2 - Rise

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 02, 2013 6:42 PM
To: CPCtestimony
Cc: W9w@hotmail.com
Subject: Submitted testimony for HB1 on Feb 4, 2013 14:30PM

HB1
Submitted on: 2/2/2013
Testimony for CPC on Feb 4, 2013 14:30PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
kurt	Individual	Oppose	No

Comments: Stop mandating people to do this or that. Leave it up to the individual citizen to decide how they will manage their long-term care.

Please note that testimony submitted less than 24 hours prior to the hearing , improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 03, 2013 7:11 AM
To: CPCtestimony
Cc: Manis@lava.net
Subject: Submitted testimony for HB1 on Feb 4, 2013 14:30PM

HB1
Submitted on: 2/3/2013
Testimony for CPC on Feb 4, 2013 14:30PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Laura Manis	Individual	Comments Only	No

Comments: I recently placed my husband in a care home. The cost is $7,000 a month. At this rate, I will soon need to be looking at medicaid. We need to revisit financing a state program state will in the long run help both the state and its aging population.

Please note that testimony submitted less than 24 hours prior to the hearing , improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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We here in Hawaii and in our nation have a terrible dilemma when it comes to the care of our kapuna, however, I oppose HB1. It is unconstitutional to require anyone to purchase long term care insurance (or anything for that matter) and it is unethical to disguise this cost in the form of a tax.

The kapuna in our community have cared for their individual families, children and grandchildren, and now it must fall on our families to care for their aging kapuna. As one who is nearing an age where long term care may soon be an option, in my ohana it is no option. My children will care for me if and when I need them. This is not a "thought" but an understood and "agreed to" position between me and my keiki. Instead of making us pay for a service we can not afford or do not want and will not use, further burdening the taxpayers in whole, I propose investing in building up our family structures and culture (not with more agencies but with volunteer programs) so our kapuna can live their aging days with those they love. I oppose HB1. Thank you.