

Twenty-Seventh Legislature
Regular Session of 2013

HOUSE OF REPRESENTATIVES
Committee on Consumer Protection & Commerce
Rep. Angus L.K. McKelvey, Chair
Rep. Derek S.K. Kawakami, Vice Chair
State Capitol, Conference Room 325
Monday, February 4, 2013; 2:30 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1
RELATING TO LONG TERM CARE**

The ILWU Local 142 strongly supports H.B. 1, which requires the Executive Office on Aging to contract for the performance of an actuarial analysis for a limited, mandatory, public long-term care insurance program. Appropriates funds for the actuarial analysis.

Very few Hawaii residents can afford the cost of long-term care, which now runs about \$10,000 a month for nursing home care. Yet more and more people will find themselves needing long-term care as they live longer but are not able to live independently.

Over the past two decades, the Legislature has considered several long-term care financing vehicles. The first was Family Hope, which would have taxed wage earners and established a fund for vested participants to tap into for long-term care needs. The Executive Office on Aging took the lead and worked with advocates, but Family Hope measures failed to pass the Legislature. Tax credits also were promoted to encourage the purchase of long-term care insurance, but those failed. Finally, Care Plus was proposed as a simple program to tax each wage earner \$10 a month and allow them to access up to \$70 a month after a 10-year vesting period. However, Care Plus was never implemented.

While H.B. 1 does not propose specific long-term care financing, it does propose funding an actuarial analysis that will recommend a program to provide for long-term care needs. We know the program must be mandatory (no one can opt out), public (government-supported and managed) and limited (will not provide full coverage). We believe it is possible to develop a program that will be affordable yet help to support the long-term care needs of Hawaii's people.

The ILWU urges passage of H.B. 1. Thank you for the opportunity to share our views on this important matter.