

Twenty-Seventh Legislature  
Regular Session of 2013



HOUSE OF REPRESENTATIVES  
Committee on Finance  
Rep. Sylvia Luke, Chair  
Rep. Scott Y. Nishimoto, Vice Chair  
Rep. Aaron Ling Johanson, Vice Chair  
State Capitol, Conference Room 308  
Thursday, February 21, 2013; 11:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1, HD1  
RELATING TO LONG TERM CARE**

The ILWU Local 142 supports H.B. 1, HD1, which requires the Executive Office on Aging to contract for the performance of a policy analysis and an actuarial analysis for a limited, mandatory, public long-term care insurance program for the State's working population. Appropriates funds for the analyses.

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, HD1 does not propose specific long-term care financing, it does propose funding analyses that will recommend a financing 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, HD1. Thank you for the opportunity to share our views on this important matter.