

STAND. COM. REP. NO.

1004

Honolulu, Hawaii

**MAR 22 2013**

RE: H.B. No. 1  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committees on Human Services and Commerce and Consumer Protection, to which was referred H.B. No. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LONG TERM CARE,"

beg leave to report as follows:

The purpose and intent of this measure is to require and appropriate funds for the Director of the Executive Office on Aging to contract for the performance of a policy analysis of the policy options identified in the Long Term Care Commission's recommendations to the Legislature dated January 18, 2012, and an actuarial analysis of a proposed limited, mandatory, public long term care insurance program for the State's working population.

Your Committees received testimony in support of this measure from the Executive Office on Aging, County of Hawaii Office on Aging, Policy Board for Elder Affairs, AARP Hawaii, Faith Action for Community Equality, Hawaii Alliance for Retired Americans, Hawaii Family Caregiver Coalition, ILWU Local 142, and six individuals. Your Committees received comments on this measure from the National Association of Insurance and Financial Advisors-Hawaii and one individual.

Your Committees find that Hawaii's population is aging rapidly. In 2012, there were approximately 206,000 people over age sixty-five in Hawaii. In 2032, that number will increase by sixty-one percent to a total of 331,000. This increase in the aging population will create an increase in need for long term



care. Approximately sixty-nine percent of people who turned sixty-five in 2005 will need long term care before they die.

Your Committees further find that Hawaii long term care costs are among the highest in the nation and unaffordable by most Hawaii residents, as only twelve percent of Hawaii residents over forty have a long term care insurance policy. In response to long term care issues, 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, which would provide persons meeting the vesting period with a limited but meaningful benefit should they need long term care. No other option considered would raise revenue for long term care and provide coverage to the vast majority of residents.

Your Committees have amended this measure by:

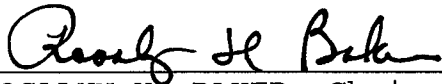
- (1) Deleting language that would have required the Director of the Executive Office on Aging to contract for a policy analysis to craft details of the social insurance proposal;
- (2) Inserting language to require the Director of the Executive Office on Aging to contract for a feasibility study to design a limited, mandatory, public long term care financing program for the State;
- (3) Inserting language to specify items that may be analyzed as part of the feasibility study for a limited, mandatory, public long term care financing program;
- (4) Amending language detailing the contents of the actuarial analysis;
- (5) Requiring the feasibility study to be completed and submitted to the Director of the Executive Office on Aging by June 30, 2014, and included in the Director's report to the Legislature; and
- (6) Inserting language to include the feasibility study, along with the actuarial analysis, as the purpose of the appropriation.



Your Committees request that your Committee on Ways and Means consider inserting an appropriation amount of \$380,000 for the performance of the feasibility study and the actuarial analysis for a limited, mandatory, public long term care financing program for the State's working population.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Human Services  
and Commerce and Consumer  
Protection,



ROSALYN H. BAKER, Chair

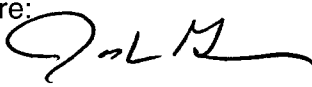


SUZANNE CHUN OAKLAND, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Human Services**  
**HMS**

Bill / Resolution No.:*	Committee Referral:	Date:		
HBI, HD 2	HMS/CPN, WAM	3/19/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
GREEN, Josh (VC)	✓			
KIDANI, Michelle N.				✓
TANIGUCHI, Brian T.	✓			
SLOM, Sam				✓
<b>TOTAL</b>	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes

