

DAVID Y. IGE
GOVERNOR



LATE

WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON COMMERCE, CONSUMER PROTECTION
AND HEALTH AND HUMAN SERVICES
ON
SENATE BILL NO. 2478

February 10, 2016
9:00 a.m.

RELATING TO LONG-TERM CARE

Senate Bill No. 2478 establishes a long-term care surcharge on State excise and use taxes to pay for claims for defined benefits under the long-term care financing program; and the Long-Term Care Benefits Trust Fund, which shall be separate and apart from the general funds of the State. The measure also makes an undetermined general fund appropriation to the Department of Taxation for the implementation and collection of the long-term care surcharge on State excise and use taxes.

The Department of Budget and Finance strongly recommends that this measure be deferred until thorough studies in the following areas are completed: 1) actuarial feasibility; 2) economic impact; and 3) operational requirements. This long-term care program would be a major social program akin to Social Security for Hawaii and prudence must be exercised in its implementation.



LATE

February 10, 2016

Committee on Commerce, Consumer Protection and Health
Senator Rosalyn Baker, Chair

Committee on Human Services
Senator Suzanne Chun Oakland, Chair

Re: **SB 2478, Relating to Long-Term Care**

Chair Baker, Chair Chun Oakland and members of the Committees:

My name is Gerry Silva, State President for AARP Hawaii. AARP is a membership organization for people age 50 and over with nearly 150,000 members in Hawaii. We appreciate the opportunity to submit comments on SB 2478.

The Hawaii Long-Term Care Commission was established by the Legislature in 2008 to conduct a comprehensive assessment of Hawaii's long-term care system and to recommend changes. In its 2012 report to the Legislature, the Commission recommended that the State of Hawaii "conduct a long-term care education and awareness campaign, with the goal of making people aware of their risks of long-term care, their current financing and delivery options, and the implications for Hawaii of the aging of the population." The Commission further recommended that the education campaign be administered by the Hawaii Executive Office on Aging and funded by the Legislature.

In 2014 the Legislature appropriated \$500,000 for a long-term care public awareness campaign. It is our understanding that the campaign is scheduled to proceed in 2016, and that the results of the campaign are to be submitted to the EOA to present before the 2017 legislative session. The outcomes of this long-term care education and awareness campaign will help to inform the legislative discussion going forward.

Thank you for this opportunity to comment.

LATE



February 8, 2016

Hawai'i State Capitol
415 South Beretania St.
Honolulu, HI 96813

To the Members of the Hawai'i Legislature,

We are pleased to present you with a letter signed by fourteen national organizations in support of Senate Bill 2478 and House Bill 1885. As a campaign committed to creating a quality and dignified long term care system for all Americans, we are thrilled to see Hawai'i considering such important public policy. We hope you will serve as a model for all of us across the country working to ensure that all families can age and live with dignity.

If you have any questions, please contact Kevin Simowitz, Political Director, Caring Across Generations: kevin@caringacrossgenerations.org or (540) 847-9729.

Sincerely,

A handwritten signature in black ink, appearing to read "Ai-Jen Poo".

Ai-Jen Poo, Executive Director, National Domestic Workers Alliance
Co-Director, Caring Across Generations

A handwritten signature in black ink, appearing to read "Sarita Gupta".

Sarita Gupta, Executive Director, Jobs With Justice
Co-Director, Caring Across Generations

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. Key Findings and Recommendations

The findings of the audit indicate that there are several areas where the organization's internal controls are weak. Specifically, the lack of proper documentation and the absence of regular audits are significant concerns. It is recommended that the organization implement a robust system of internal controls, including regular audits and comprehensive record-keeping, to mitigate these risks.

Furthermore, the audit identified a need for improved communication and collaboration between different departments. The current structure of the organization does not facilitate the exchange of information, which can lead to inefficiencies and errors. It is suggested that the organization establish a clear communication protocol and encourage cross-departmental collaboration to enhance overall performance.

In conclusion, the audit highlights the need for a more structured and transparent organizational framework. By addressing the identified weaknesses and implementing the recommended changes, the organization can improve its operational efficiency and ensure the integrity of its financial and operational data.

Sincerely,

John Doe
Senior Auditor
ABC Audit Firm
123 Main Street
City, State, ZIP
Phone: (123) 456-7890
Email: john.doe@abc.com

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 09, 2016 3:39 PM
To: CPH Testimony
Cc: deborah.stone-walls@co.maui.hi.us
Subject: *Submitted testimony for SB2478 on Feb 10, 2016 09:00AM*

LATE

SB2478

Submitted on: 2/9/2016

Testimony for CPH/HMS on Feb 10, 2016 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Stone-Walls	Maui County Office on Aging	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

THE SENATE

Committee on Commerce, Consumer Protection, and Health

Senator Rosalyn H. Baker, Chair

Senator Michelle N. Kidani, Vice Chair

Committee on Human Services

Senator Suzanne Chun Oakland, Chair

Senator Gil Riviere, Vice Chair

State Capitol, Conference Room 229

Wednesday, February 10, 2016; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2478
RELATING TO LONG-TERM CARE**

The ILWU Local 142 **strongly supports** S.B. 2478, which establishes a long-term care surcharge on state tax beginning on 1/1/2016 to pay for claims for defined benefits under the long-term care financing program and makes an appropriation to the Department of Taxation for costs of implementation and collection.

Hawaii residents, as a whole, tend to live long. That does not mean, however, that they are healthy and strong throughout their lives. Older residents in Hawaii, as elsewhere, fall victim to disability and often require long-term care, otherwise known as long-term services and supports, provided by caregivers, usually family members, or in institutions.

The cost of long-term care is high. If a person needing long-term care is institutionalized in a nursing home, the cost is at least \$12,000 a month, far beyond the reach of all but a tiny fraction of Hawaii residents. Most residents prefer “aging in place”—that is, living independently in their own homes or with family. But even care at home is costly for those who need support for feeding, bathing, transportation to medical services, etc. Professional caregivers charge about \$25 an hour. Family caregivers are usually uncompensated, but there is a cost in unpaid work time, income reductions due to early retirement or resignation, and the stresses of juggling schedules and dealing with the care of another.

S.B. 2478 offers a means of supporting a Long-Term Care Benefits Trust Fund that will pay benefits and be sustainable. With a half percent surcharge on the General Excise Tax (GET), the Fund can pay benefits of \$70 a day for a cumulative period of 365 days.

A surcharge on the GET means that revenue will be collected from visitors and residents alike—from anyone who consumes goods and services in Hawaii. While residents who file state tax returns will be eligible for benefits from the Trust Fund, visitors will NOT be eligible for benefits yet will pay at least one-third of the revenues deposited into the Fund.

S.B. 2478 should be viewed as a caregiver’s bill—to provide financial relief to caregivers. The benefit of \$70 a day for 365 days will certainly not cover the cost of nursing home care but will help to keep patients in their own homes for as long as possible and will save the State (and taxpayers) millions of dollars for Medicaid coverage.

The caregiver may use the money to compensate for earnings lost or to pay for adult day care or adult day health services to provide respite from caregiving duties for the caregiver and socialization opportunities for the patient.

No one wants to raise taxes—not taxpayers or lawmakers. But this long-term care financing program is worthy of consideration because of the otherwise huge financial and social costs borne by patients and caregivers alike.

The ILWU urges passage of S.B. 2478. Thank you for the opportunity to testify on this measure.

NFIB

The Voice of Small Business.®

**Before the Senate Committees on
Commerce, Consumer Protection & Health
and Human Services**

DATE: February 10, 2016

TIME: 9:00 a.m.

PLACE: Conference Room 229

Re: SB 2478 Relating to Longterm Care

Testimony on behalf of NFIB Hawaii

Aloha Chairs Chun Oakland and Baker, Vice Chairs Kidani and Riviere, and members of the Committees:

Senate Bill 2478 would establish a long-term care surcharge on state tax beginning on January 1, 2018 to pay for claims for defined benefits under the long-term care financing program.

We are testifying on behalf of the National Federation of Independent Business (NFIB) to respectfully oppose this measure. NFIB Hawaii has consistently opposed a surcharge on excise tax. NFIB is committed to advocating for fiscal solutions that will provide both tax relief and certainty to small businesses because we believe such solutions are necessary to promote a sound economy. A surcharge on excise tax for longterm care, while well meaning, we believe will negatively impact the state's economy, undermining the achievement of the goals of this measure.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents nearly 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.

We request that this bill be deferred and mahalo the legislature for its consideration.

LATE

TO: Honorable Senator Rosalyn Baker, Chair
Honorable Senator Michele Kidani, Vice Chair
Members of the Committee on Commerce and Consumer Protection

Honorable Senator Suzanne Chun Oakland, Chair
Honorable Senate Gil Reviere, Vice Chair
Members of the Committee on Human Services

DATE: Wednesday, February 10, 2016
PLACE: State Capitol, Room 229
TIME: 9:00 AM
SUBJECT: Testimony in Support of SB 2478-Relating to Long Term Care

Chairs Baker and Chun Oakland and Committee Members of Commerce and Consumer Protection and Health and Human Services

Thank you for the opportunity to submit a written testimony in STONG SUPPORT OF SB 2478 – Relating to Long Term Care.

As Administrator of Project Dana, a volunteer caregivers program serving Hawaii's older adults for 27 years, I am in support of SB 2478 which establishes a long term care surcharge on state tax beginning on 1/1/2018 to pay for claims for defined benefits under the long term care financing program. It makes an appropriation for the Department of Taxation for costs of implementation and collection.

SB 2478 supports Hawaii's Kupuna to age in place as long as possible.

Thank you very much.

Rose Nakamura
Project Dana

LATE

Dear Members of the Senate Committee on Commerce, Consumer Protection and Health and the Members of the Senate Committee on Human Services,

I am submitting my testimony in support of SB2478 as a tribute to my kupuna. In my early years of studying and serving our kupuna I know the importance of providing them the healthcare that fits the years of wisdom and service they have lived through. With the ever growing number of kupuna we need to plan for both their care and the care of their caregivers.

Erin Ah Sue
erin.ahsue@student.chaminade.edu
55-472 A Palekana St.,
Laie, HI, 96762-1134

LATE

Dear Members of the Senate Committee on Commerce, Consumer Protection and Health and the Members of the Senate Committee on Human Services,

I am submitting my testimony in support of SB2478. Not everyone is so lucky at their old age . I fear that my parents as they age becoming senior citizens have failed to prepare for the latest parts of life. Weather they were leaning on their social security which will not be effective in supporting them anymore. I hope this bill can be passed to help aid the needs of America's aging demographic.

Brianna Georgia

brianna.georgia@student.chaminade.edu

2047a 10th ave, honolulu, HI, 96816-2929

LATE

Dear Members of the Senate Committee on Commerce, Consumer Protection and Health and the Members of the Senate Committee on Human Services,

Aloha, my name is Ann Kishi and I am writing to express my support for SB2478.

I myself have two in-laws who could benefit from this bill as my husband and I both work. This bill will provide the needed assistance in being able to take care of them in our home, where they are most comfortable and happy at. But this bill will not only help my in-laws but all Hawaii residents.

Thank you for considering my testimony.

Sincerely,

Ann Kishi
annlujankishi@gmail.com
534 Nowela Place,
Kailua, HI, 96734-2039

LATE

Karen Ginoza	Individual	Support	Yes
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February 10, 2016

Committee: Committee on Commerce Protection and Health and Committee on Human Services

Hearing Date/Time: Wednesday, March 10, 2016, 9:00 am

Place: Room 229

Re: Testimony on S.B. 2478, Relating to Long Term Care

Dear Chairs Baker and Chun Oakland and members of the committees:

Thank you for this opportunity to testify on SB 2478. I am Karen Ginoza, a member of FACE and Harris United Methodist Church. I would like to share my story of caregiving with you today.

My father became ill at my college graduation and was diagnosed with terminal cancer. He asked me to return home to care for him. I knew I couldn't do it alone so my oldest brother and I decided that both of us would return home to care for him. My brother put his work/career on hold to become a full-time caregiver while I became a first-year teacher. Within a few months, my mother fell and injured herself and my sister returned home because of her mental illness. Every day was a challenge as my brother and I cared for our father, mother, and sister. All of this happened while my fiancé was called to serve in Vietnam. At that time, I wondered if life could be more difficult and challenging. My brother and I survived by taking each day one day at a time and sharing a bottle of beer at the end of the day.

Today, 46 years later, I am a caregiver for my brother. He has lived in a care home for over ten years. I am in close contact with the owner of the care home, see my brother one or twice a week, and handle all of his personal finances. We have decided to use his personal income and investments to pay for his care since his income is too high to qualify for assistance. As he ages, the cost of his care increases. I am using this time in my life to plan for the future of his care. I do not know if I will eventually become his full time care giver but I need to be prepared.

If I become my brother's full time care giver, I will not be able to continue my volunteer activities in FACE, at Harris United Methodist Church and in Project Dana. I also tutor students twice a week and coach a Special Olympics team. All of these activities will stop if I become a full time caregiver. I am not looking forward to this picture of the future.

I urge you to pass SB 2478. Many families are not as fortunate as our family to have the support and finances to care for their family members. We need to have a plan for the future and this bill gives us a start.

Thank you for this opportunity to share my story with you.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 09, 2016 4:05 PM
To: CPH Testimony
Cc: tabraham08@gmail.com
Subject: *Submitted testimony for SB2478 on Feb 10, 2016 09:00AM*

SB2478

Submitted on: 2/9/2016

Testimony for CPH/HMS on Feb 10, 2016 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

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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February 8, 2016

Hawai'i State Capitol
415 South Beretania St.
Honolulu, HI 96813

To the Members of the Hawai'i Legislature,

We are pleased to present you with a letter signed by fourteen national organizations in support of Senate Bill 2478 and House Bill 1885. As a campaign committed to creating a quality and dignified long term care system for all Americans, we are thrilled to see Hawai'i considering such important public policy. We hope you will serve as a model for all of us across the country working to ensure that all families can age and live with dignity.

If you have any questions, please contact Kevin Simowitz, Political Director, Caring Across Generations: kevin@caringacrossgenerations.org or (540) 847-9729.

Sincerely,

A handwritten signature in black ink, appearing to read "Ai-Jen Poo".

Ai-Jen Poo, Executive Director, National Domestic Workers Alliance
Co-Director, Caring Across Generations

A handwritten signature in black ink, appearing to read "Sarita Gupta".

Sarita Gupta, Executive Director, Jobs With Justice
Co-Director, Caring Across Generations

February 8, 2016

Hawai'i State Capitol
415 South Beretania St.
Honolulu, HI 96813

Dear Members of the Hawai'i Legislature,

We are writing to express our excitement and support for Senate Bill 2478 and House Bill 1885, legislation that would create a public statewide long-term care program in Hawai'i. This program will be the first of its kind, and will serve as a model for advocates, policymakers, legislators, and, most of all, caregiving families across the country, all working together to find affordable solutions to the long-term care challenges facing our nation. Such a program would have short and long-term impact, providing immediate help to those who need care, supporting families adjusting their lives to provide that care, *and* creating new home care jobs.

As our country faces an unprecedented demographic change, states are increasingly experimenting with innovative solutions to meet the growing care needs of people with disabilities and those aging in our country. We know what most Americans want in their retirement years: to be able to age with dignity in their communities. And we know and understand the cultural, economic and familial benefits of keeping seniors and people with disabilities at home. Hawai'i's leadership is critical in advancing public policy that so clearly upholds the values and needs of our seniors and our families in a sustainable and cost-effective way.

Nationally, it is widely recognized by policy experts and researchers that long-term care coverage must be a policy priority to address growing care needs. Political will is now needed, and we are encouraged by Hawai'i's role in leading the nation by progressing policy that would establish the country's first public long-term care social insurance program.

Sincerely,

Service Employee International Union
Center for Medicare Advocacy
National Respite Coalition
PHI (Paraprofessional Healthcare Institute)
National Jobs With Justice
Justice in Aging
Leading Age
OWL-The Voice of Women 40+
Pilipino Workers Center of Southern California
Advance CLASS, INC
Make It Work
National Domestic Workers Alliance
National Respite Coalition
Hand in Hand - the Domestic Employer Network

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. This is essential for ensuring the integrity and reliability of the data used in the analysis.

2. Data Collection and Analysis

The data collection process involves gathering information from various sources, including internal databases, external reports, and direct observations. Once collected, the data is analyzed to identify trends, patterns, and anomalies. This analysis is crucial for understanding the underlying causes of the observed phenomena and for developing effective strategies to address them.

The analysis also involves comparing the current data with historical data to assess changes over time. This comparison helps in identifying long-term trends and cyclical patterns. Additionally, the data is often broken down into smaller segments to allow for more detailed and specific analysis.

The final step in the data analysis process is the interpretation of the results. This involves drawing conclusions based on the findings and providing recommendations for future actions. The goal is to ensure that the data is used effectively to inform decision-making and to improve overall performance.

3. Conclusion

In conclusion, the document highlights the significance of data in modern business operations. It emphasizes the need for a robust data management system and the importance of regular data analysis. By following the outlined steps, organizations can ensure that their data is accurate, reliable, and effectively used to drive growth and innovation.