

JAN 20 2012

S.B. NO. 2321

A BILL FOR AN ACT

RELATING TO LONG-TERM CARE INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that according to the
2 Hawaii long-term care commission, only a minority of Americans
3 will ever have private long-term care insurance, even in an
4 optimistic economic environment. Therefore, an alternative that
5 matches the mandatory, universal long-term care insurance
6 programs, such as those in Japan, Germany, the Netherlands, some
7 parts of Canada, Spain, Scandinavia, and Korea, is to create a
8 more balanced delivery system for long-term care to all persons
9 who require it, regardless of their financial need.

10 The legislature also finds that according to advocates of
11 social insurance, there is no need for a welfare program, such
12 as medicaid, to be the primary funding source of long-term care.
13 Rather, a public insurance program designed to provide modest
14 income support financed through mandatory contributions by the
15 working-age population would provide a measure of financial
16 protection for individuals who are uninsurable and require long-
17 term care. In principle, a proposed public insurance program
18 would be similar to social security. Much like social security,



1 a public insurance program would not be intended to meet all
2 long-term care needs, but instead supplement, not replace,
3 private initiatives such as private long-term care insurance.

4 The legislature further finds that according to the Hawaii
5 long-term care commission, a limited, mandatory, public long-
6 term care insurance program may be the only option that will
7 provide insurance coverage to a large majority of people in
8 Hawaii and would benefit people with a wide range of income and
9 assets. However, the support for mandatory enrollment in a
10 public long-term care insurance program in Hawaii is low.

11 Therefore, it remains unclear whether or not a limited,
12 mandatory, public long-term care insurance program is feasible
13 and will be supported by the public.

14 The purpose of this Act is to establish a long-term care
15 financing task force to determine the feasibility of a limited,
16 mandatory, public long-term care insurance program.

17 SECTION 2. (a) The insurance commissioner shall convene a
18 long-term care financing task force within thirty days after the
19 effective date of this Act to determine the feasibility of
20 establishing and implementing a limited, mandatory, public long-
21 term care insurance program.



(b) The task force shall consider and make recommendations including but not limited to the following:

(1) The premium required to adequately finance various program designs;

(2) The minimum and maximum ages for employed persons to be eligible to enroll;

(3) The definition of "employment" for the purposes of determining eligibility;

(4) The method of collecting the premium;

(5) The length of covered benefit;

(6) The amount of cash benefit, whether it varies by disability, inflation adjustment over time, and

whether there should be restrictions on its use;

(7) Whether people need to pay for life, until retired, or until they have paid for a specified number of years before becoming eligible for benefits;

(8) Whether premiums should be level or increase with inflation over time;

(9) Whether low-income people should be exempt from participating or whether there should be some premium subsidy from general revenues;

(10) How the program should be administered; and



1 (11) Which executive agency should administer this program.

2 (c) The task force shall be chaired by the insurance
3 commissioner and be composed of six individuals from the long-
4 term care community and insurance industry, three of whom shall
5 be selected by the senate president and three of whom shall be
6 selected by the speaker of the house.

7 (d) In carrying out its duties under this section, the
8 task force may request staff assistance from the department of
9 commerce and consumer affairs, the department of health, the
10 department of human services, and other appropriate state and
11 county executive agencies.

12 (e) The members of the task force shall serve without
13 compensation, but shall be reimbursed for expenses, including
14 travel expenses, necessary for the performance of their duties.

15 (f) The insurance commissioner shall submit to the
16 legislature no later than twenty days prior to the convening of
17 the 2013 regular session a report that includes:

18 (1) The activities and findings of the task force; and

19 (2) Recommendations, including those listed in subsection
20 (a), and proposed legislation, if any.

21 (g) The task force shall be dissolved on June 30, 2013.



1 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: *Anne Chun Oakland*



S.B. NO. 2321

Report Title:

Kupuna Caucus; Task Force; Public Long-term Care Insurance;
Long-term Care Commission

Description:

Establishes a task force to determine the feasibility of establishing a limited, mandatory, public long-term care insurance program.

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