STAND. COM. REP. NO. 2072

Honolulu, Hawaii

FEB 09 2012

RE: S.B. No. 2309
        S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

     Your Committee on Human Services, to which was referred S.B.
No. 2309 entitled:

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

begs leave to report as follows:

     The purpose and intent of this measure is to implement the
long-term care partnership program, which allows individuals to
qualify for Medicaid coverage for continued long-term care prior
to exhausting their assets.

     Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs; the American
Council of Life Insurers; Consumer, Family, and Youth Alliance;
the National Association of Insurance and Financial Advisors
Hawaii; and two individuals. Your Committee received testimony in
opposition to this measure from the Department of Human Services
and the Policy Advisory Board for Elder Affairs.

     Your Committee finds that as a matter of policy, families
should be encouraged to provide for their own financial well-
being. The partnership program allows people to preserve some of
their assets and still qualify for Medicaid by purchasing a
"partnership" long-term care policy or exchanging an existing
policy for a partnership policy.

     Your Committee further finds that the measure as drafted does
not appear to accurately reflect the requirements of the Deficit
Reduction Act of 2005.

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Your Committee has amended this measure by:

(1) Ensuring consistency and compliance with the Deficit
    Reduction Act of 2005 by:

    (A) Amending the purpose section in the proposed new
        chapter in section 1 to encourage people to
        purchase long-term care insurance instead of
        combining funds from private long-term care
        insurance and Medicaid;

    (B) Amending the definitions of "certified long-term
        care insurance partnership policy" and
        "partnership" and adding a definition for "state
        medicaid agency";

    (C) Deleting language that set a minimum level of
        coverage under the partnership program;

    (D) Requiring the Department of Commerce and Consumer
        Affairs, rather than the Department of Human
        Services, to certify the policies or plans; and

    (E) Deleting language that required the adoption of
        certain rules that would have either violated the
        Deficit Reduction Act of 2005 or are unnecessary;
        and

(2) Deleting section 2, which amended section 431:10H-221,
    Hawaii Revised Statutes, as it is unnecessary, and the
    topic of exchanges would be addressed in section 1 of
    this measure; and

(3) Making technical, nonsubstantive amendments for the
    purposes of clarity and consistency.

As affirmed by the record of votes of the members of your
Committee on Human Services that is attached to this report, your
Committee is in accord with the intent and purpose of S.B.
No. 2309, as amended herein, and recommends that it pass Second
Reading in the form attached hereto as S.B. No. 2309, S.D. 1, and
be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
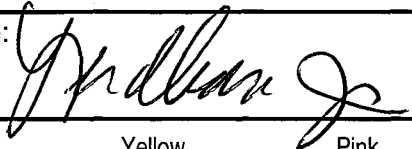Committee on Human Services,

SUZANNE CHUN OAKLAND, Chair

The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2309	Hms, WAM	1-31-12

☐ The committee is reconsidering its previous decision on this measure.

   If so, then the previous decision was to:_____

The Recommendation is:

☐ Pass, unamended 2312   ☒ Pass, with amendments 2311   ☐ Hold 2310   ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
SLOM, Sam				✓
TOTAL	3	0	0	1

Recommendation:

   ☒ Adopted   ☐ Not Adopted

Chair's or Designee's Signature: _[signature]_

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*Only <u>one</u> measure per Record of Votes