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Testimony in SUPPORT of SCR33/SR19
REQUESTING THE TAX REVIEW COMMISSION TO IDENTIFY POSSIBLE
MEANS BY WHICH THE HAWAII LONG-TERM CARE FINANCING PROGRAM
CAN BE IMPLEMENTED.

COMMITTEE ON HEALTH & HUMAN SERVICES
SENATOR JOY A. SAN BUENAVENTURA, CHAIR
SENATOR HENRY J.C. AQUINO, VICE-CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing: Monday, March 31, 2025, 1:01 P.M., Conference Room 225

EOA Position: The Executive Office on Aging (EOA), an attached agency to the Department of Health (DOH) **supports SCR33/SR19.**

Purpose and Justification: This resolution requests the Tax Review Commission to identify possible means by which the Hawai'i Long-Term Care Financing program can be implemented.

Hawai‘i’s aging population is expected to increase significantly, with projections that by 2035 one in four residents will be 65 years or older. Hawai‘i is also No.1 in the nation with the longest average lifespan at 80.7 years of age. As people live longer access to long-term care services is crucial. However, the high cost of long-term care services, including nursing home, assisted living, adult day care, and in-home care services is not completely covered by insurance, including Medicare. The burden of long-term care falls heavily on older adults and their family, which can result in the depletion of their savings or assets.

Long-term care financing programs can provide financial and emotional relief by managing costs through structured payment plans, increasing access to critical care regardless of their financial situation, filling in the gaps that Medicare doesn’t cover, preventing the depletion of an individual and/or family’s savings, and alleviating financial stress to individuals and their families.

Recommendation: EOA supports this resolution and defer to the Tax Review Commission.

Thank you for the opportunity to testify.

Melvin M. Sakurai

Monday, March 31, 2025
Conference Room 225 & Videoconference

Senate Committee on Health and Human Services

To: Senator Joy San Buenaventura, Chair
Senator Henry Aquino, Vice Chair

FROM: Melvin Sakurai, PhD., Research Information Services

RE: **Testimony SUPPORTING SCR33/SR19
Requesting the Tax Review Commission to Identify Possible
Means by which the Hawaii Long-Term Care Financing Program
can be Implemented**

My name is Melvin Sakurai and I am a management consultant with healthcare policy planning experience working with the State Department of Health (SHPDA), Governor's Executive Office on Aging, Governor's Blue Ribbon Panel on Health Care, Legislative Auditor, and the Hawaii Health Systems Corporation on projects ranging from developing a publicly funded long-term care financing system to the regulation of adult residential care homes and formulating a public-private partnership solution for acute hospital wait listed patients.

I am writing to express SUPPORT for SCR33/SR19 requesting the Tax Review Commission to report on, among other things, financing mechanisms and costs for implementing and administering the Hawaii Long-Term Care Financing Program to provide universal and affordable long term care for all eligible State residents.

As one of the lead consultants working with the Executive Office on Aging to develop a mandatory payroll tax funded universal long-term care financing program and associated Long-Term Care Trust Fund (*Financing Long Term Care, A Report to the Hawaii State Legislature*, Executive Office on Aging, Office of the Governor, July 1991 second printing), I would like to note that all

Melvin M. Sakurai

of the work related to equitable tax funding for universal long-term care coverage as well as comprehensive operating and administrative requirements and plans (including detailed draft Hawaii Administrative Rules and Hawaii tax code analyses relating to cross-funding and benefit earnings and coverage of current seniors) already exists and can serve as a valuable resource for the Tax Commission.

The original report extant (attached in sections) as well as a host of detailed technical memoranda, statutory analyses, and long-range microsimulation modelling results should still be available and archived at the current Executive Office on Aging.

In support of SCR33/SR19, I would ask that the foregoing be incorporated in the text of the Concurrent Resolution.

Thank you.