

---

---

# A BILL FOR AN ACT

RELATING TO LONG-TERM CARE FINANCING.

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

1           SECTION 1. The legislature finds that Hawaii's senior  
2 population has been growing faster than the national average.  
3 Without a sustainable financing framework for long-term care,  
4 the majority of Hawaii's families will be forced to shoulder  
5 increasingly unsustainable financial burdens. According to a  
6 2025 report by the kupuna advisory council's long-term care  
7 financing permitted interaction group, the average per-person  
8 annual cost for long-term support services ranges from  
9 approximately \$45,500 in a community care foster family home to  
10 more than \$200,000 in a skilled nursing facility, which is  
11 already prohibitively expensive for many Hawaii families. The  
12 State must find a way to address long-term care costs and ensure  
13 that long-term care services remain equitable and available to  
14 all of Hawaii's residents. Accordingly, the legislature  
15 believes that it is necessary to obtain a comprehensive,  
16 data-driven evaluation of feasible financing strategies for  
17 long-term care.



1           The legislature also finds that creating a successful  
2 long-term care program is complicated due to the fragmented  
3 nature of the long-term care system; the multitude of providers  
4 and payors; the State's chronic shortage of caregivers; the high  
5 costs of private insurance; and the inherent difficulty in  
6 predicting the extent, duration, and timing of an individual's  
7 long-term care needs. To address these issues, the State must  
8 consider a variety of financing models; examine potential  
9 reforms of home- and community-based services; and implement  
10 cost containment strategies that manage expenditures while  
11 improving the quality of care.

12           However, the legislature recognizes that it will first be  
13 necessary to carefully develop a framework and scope of work for  
14 a thoughtful study of these complex issues. To allow for  
15 effective planning, the State must also create a realistic  
16 timeline and list of proposed next actions for selecting and  
17 implementing a future long-term care services financing program.  
18 The legislature believes that these steps are essential for  
19 understanding the impacts of a future long-term care services  
20 financing program and will provide valuable information



1 necessary for policymakers to select the model or framework of  
2 financing that will work best for Hawaii's residents.

3       The legislature further finds that these issues should be  
4 addressed by an agency that has specific experience with and  
5 expertise in the unique issues that the State's kupuna face.  
6 The legislature notes that statewide planning and oversight  
7 functions over kupuna affairs statutorily reside with the  
8 executive office on aging. Specifically, section 349-3, Hawaii  
9 Revised Statutes, designates the executive office on aging as  
10 the "principal office in state government solely responsible for  
11 the performance, development, and control of programs, policies,  
12 and activities on behalf of elders[.]" Similarly, section  
13 349-7, Hawaii Revised Statutes, designates the executive office  
14 on aging as "the single state agency responsible for programs  
15 affecting senior citizens of this State[.]"

16       Accordingly, the purpose of this Act is to lay the  
17 groundwork for the establishment of a long-term care financing  
18 program by:

19       (1) Requiring the executive office on aging to develop a  
20             framework and scope of work for a proposed study that  
21             examines the feasibility, impacts, and costs of



1 different public and private financing options for  
2 long-term care services and supports;

3 (2) Authorizing the executive office on aging to contract  
4 with the university of Hawaii to develop the framework  
5 and scope of study; and

6 (3) Appropriating funds to the executive office on aging  
7 for these purposes.

8 SECTION 2. (a) The executive office on aging shall  
9 develop a framework and scope of work for a study that:

10 (1) Examines the feasibility, impacts, and costs of  
11 different public and private financing options for  
12 long-term care services and supports, including  
13 options to pay for those long-term care services and  
14 supports; and

15 (2) Determines which long-term care financing mechanisms  
16 have objective, evidence-based merit.

17 (b) At a minimum, the framework and scope of work shall  
18 require that the study include:

19 (1) Objective, evidence-based assessments of each  
20 financing option's feasibility, costs, reliability,



1 long-range solvency, benefits and impacts, and impacts  
2 on the populations served, including assessments of:  
3 (A) Alternative public and private options and  
4 financing mechanisms for providing long-term care  
5 services and supports for persons who have  
6 functional limitations or chronic illnesses and  
7 who require assistance to perform the necessary  
8 and routine activities of daily living;  
9 (B) Options for controlling the cost of services by  
10 funding proactive measures, including efforts to  
11 mitigate an individual's likelihood of needing  
12 long-term care services and limit the scope of  
13 services needed; and  
14 (C) The benefits of implementing home- and  
15 community-based reform measures for health care  
16 and other supportive services to provide care to  
17 eligible persons in their home or other community  
18 settings, rather than in institutional settings;  
19 and  
20 (2) Recommendations for the most economically viable  
21 option for establishing a long-term care financing



1 program, including a proposed plan, timeline, and any  
2 subsequent steps necessary to implement the program.

3 (c) No later than twenty days prior to the convening of  
4 the regular session of 2027, the executive office on aging shall  
5 submit a report to the legislature that includes:

- 6 (1) The framework and scope of work developed pursuant to  
7 subsections (a) and (b);
- 8 (2) The estimated cost to procure the proposed study;
- 9 (3) Recommendations for any subsequent actions necessary  
10 to conduct the proposed study and to select and  
11 implement a long-term care services financing program;
- 12 (4) Proposed legislation, including necessary funding, to  
13 procure the proposed study; and
- 14 (5) Any other findings and recommendations, including any  
15 other proposed legislation.

16 SECTION 3. The executive office on aging may contract with  
17 the university of Hawaii to perform the activities required by  
18 section 2 of this Act. Any services contracted under this  
19 section shall be exempt from chapter 103D, Hawaii Revised  
20 Statutes.



1 SECTION 4. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$100,000 or so much  
3 thereof as may be necessary for fiscal year 2026-2027 for the  
4 executive office on aging to carry out the purposes of this Act,  
5 including contracting with the university of Hawaii.

6 The sum appropriated shall be expended by the executive  
7 office on aging for the purpose of this Act.

8 SECTION 5. This Act shall take effect on July 1, 2026.



**Report Title:**

EOA; UH; Long-Term Care Financing; Long-Term Care Services and Supports; Home- and Community-Based Care; Report; Appropriation

**Description:**

Requires the Executive Office on Aging to develop the framework and scope of work for a proposed study that examines the feasibility, impacts, and costs of different public and private financing options for long-term care services and supports and submit a report to the Legislature. Authorizes the Executive Office on Aging to contract with the University of Hawaii. Appropriates funds. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

