STAND. COM. REP. NO. 3175

Honolulu, Hawaii

MAR 25 2026

RE: H.B. No. 1804
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 1804, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Establish a joint legislative Long-Term Care Financing Advisory Commission to examine the feasibility of different financing options for long-term care services and supports;

(2) Permit the Commission, through the Auditor, to contract for services of a part-time Project Director and prepare proposals for contracts for consultants to support the work of the Commission;

(3) Require the Commission to submit reports to the Legislature; and

(4) Appropriate funds.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Department of Human Services, State Health Planning and Development Agency, AARP Hawai'i, Navian

Hawaii, Healthcare Association of Hawaii, Hawaii Alliance for Retired Americans, LeadingAge Pacific West, and seven individuals.

Your Committee received comments on this measure from the Office of the Auditor.

Your Committee finds that the State is undergoing a major demographic shift, with a rapidly aging population that will have profound implications for the State's long-term health care infrastructure. In 2023, over twenty-one percent of the State's residents were aged sixty-five and older, a proportion that has been increasing and is projected to reach one in four by 2035. Despite the growing need, your Committee further finds that the financing structure for long-term care remains fragmented and insufficiently prepared for the scale of future demand. By examining the feasibility of different financing options for long-term care, this measure helps to identify approaches that improve access to long-term care, support aging in place, and maintain fiscal responsibility.

Your Committee notes the concerns raised in testimony by the Office of the Auditor that under Generally Accepted Government Auditing Standards, the Office of the Auditor must remain independent of programs it audits, and that providing support to the Long-Term Care Financing Advisory Commission, as proposed in this measure, will impair that independence and limit its ability to audit or otherwise assess the Commission and its work in the future. Therefore, amendments to this measure are necessary to address this concern.

Your Committee has amended this measure by:

(1) Deleting language that would have required the Auditor to provide administrative support to the Long-Term Care Financing Advisory Commission, including assisting with the drafting of the Commission's reports to the Legislature, contracting for services of a part-time project director, and preparing proposals for contracts for consultants;

(2) Specifying that the funds appropriated by this measure shall be expended by the Department of Health, rather than the Auditor;

(3) Inserting an effective date of January 1, 2050, to encourage further discussion; and

(4) 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 Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1804, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1804, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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

JOY A. SAN BUENAVENTURA, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1804 HD1	HHS, WAM	3/18/2026

☐ 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
SAN BUENAVENTURA, Joy A. (C)	✓			
MCKELVEY, Angus L.K. (VC)	✓			
KANUHA, Dru Mamo	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt	✓			
TOTAL	5	Ø	Ø	Ø

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature:

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/21/26