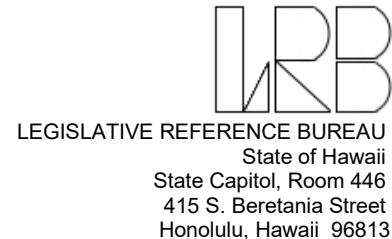


Charlotte A. Carter-Yamauchi
Director

Shawn K. Nakama
First Assistant

Research 808-587-0666
Revisor 808-587-0670



Written Comments

HB1804 RELATING TO LONG-TERM CARE FINANCING.

Charlotte A. Carter-Yamauchi, Director
Legislative Reference Bureau

Presented to the House Committee on Health

Wednesday, February 4, 2026, 9:00 a.m.
Conference Room 329

Chair Gregg Takayama and Members of the Committee:

Good morning, Chair Takayama and members of the Committee. My name is Charlotte Carter-Yamauchi, and I am the Director of the Legislative Reference Bureau (Bureau). Thank you for providing the opportunity to submit written **comments** on H.B. 1804, Relating to Long-Term Care Financing.

The purpose of this measure is to establish a joint House of Representatives and Senate Long-Term Care Financing Advisory Commission (Commission) to examine the feasibility of different public and private financing options to pay for long-term care services and supports and determine which long-term care financing mechanisms have objective, evidence-based merit. Specifically, this measure:

- (1) Establishes the membership of Commission;
- (2) Requires the Commission, through the Bureau, to enter into a contract, within thirty days of the finalization of the Commission's membership, for the services of a part-time project director to provide support for the Commission;
- (3) Requires the Commission, through the Bureau, to procure consulting services for actuarial assessment, policy analysis and development, and public education and stakeholder engagement; and establishes a multitude of specific issues that each consultant must address in consultation with one another;

- (4) Requires the Commission to seek funding for its work from public and private sources;
- (5) Requires the Bureau to provide administrative support to the Commission;
- (6) Requires reports to the Legislature prior to the Regular Sessions of 2027, 2028, and 2029; and
- (7) Appropriates \$100,000 in general funds for the Commission, through the Bureau, to contract for staffing and other administrative costs.

The Bureau takes no position on this measure but has very serious concerns and submits the following comments for your consideration.

As a general matter, the Bureau notes that it does not have any specific expertise in long-term care services, healthcare financing and insurance, actuarial assessment, or fiscal analysis. The Bureau further notes that, pursuant to section 349-3, HRS, the Executive Office on Aging is the "principal office in state government solely responsible for the performance, development, and control of programs, policies and activities on behalf of elders," and is empowered to "contract for or grant such services as may be necessary for the purposes of [chapter 349.]" Indeed, it appears that the Executive Office on Aging has successfully managed several projects similar to that requested in this measure in the past.¹ The Bureau also notes that section 23-51, HRS, requires the Auditor to assess the social and financial impacts of proposed changes to mandated health insurance coverage. In addition, the Auditor has more experience with the contracting of certain financial information service providers, such as auditors and actuaries.

Given the Executive Office on Aging's long-established experience and expertise relating to long-term care issues and the Auditor's experience and expertise in actuarial assessment and analysis in health issues and fiscal analysis, it would appear more appropriate for the Committee to require the Executive Office on Aging or the Auditor, rather than the Bureau, to coordinate the services required by this measure.

If the Committee still believes the Bureau's participation in this matter is necessary, the Bureau notes a number of concerns. As presently, drafted, this measure requires the Commission to conduct a significant portion of its work "through the Legislative Reference Bureau." (See page 4, lines 14-17 and page 5, lines 12-15.) It is unclear what the phrase "through the Legislative Reference Bureau" entails, given that the language at page 4, lines

¹ See, e.g., "Financing Long Term Care: A Report to the Hawaii State Legislature", Executive Office on Aging (July 1991); "Feasibility of a Long-Term Services and Supports Insurance Program for Hawaii", Executive Office on Aging (December 15, 2014).

18-20, specifically requires the contracted project director to solicit, execute, oversee, and assure the professional service contracts.

If the intent is for the Commission to contract and oversee the services of the project director, and for the project director to contract and oversee the services of the other professional services required under this measure, and for the appropriated funds to only pass through the Bureau, then we request that this intent be made clear throughout the measure. However, if the intent is for the Legislative Reference Bureau to be responsible for the solicitation, execution, and administration of the contracts for the professional services, then the Bureau would be unable to do so, regardless of the timeframe provided, given that the Bureau does not have the necessary subject matter expertise to carry out any of the substantive portions of the envisioned study.

The Bureau is also concerned about the virtual impossibility of being able to prepare and post the solicitation and contract with the selected project director within **thirty calendar days** of the finalization of the Commission's membership. Moreover, the Bureau notes that the measure sets out a minimum of *forty-one distinct issues* that the Commission and its contractors must investigate, each of which could well be a full, independent study. As this measure requires the project director to have actual, demonstrated working knowledge and experience in public health insurance program financing and policy development and analysis (page 5, line 8-10), it should be clarified that the contracted project director is responsible for preparing the Requests for Proposals and administering the contracts with these consultants.

The Bureau also notes that this measure does not provide funding for the actuarial assessment, policy analysis and development, or public education and stakeholder consultants. Rather, section 1(n) of the measure requires the Commission to seek funding for its work from "public and private sources," including federal agencies and private foundations. As it is unclear who would be assisting the Commission, and because the Bureau should not be involved in fundraising for any purpose, it should be clarified that this is the responsibility of the contracted project director. Further, given the present fiscal environment in which the amount of available federal grant moneys has significantly decreased and private money has also been stretched thin, it is unclear how much money would be available to fund the work of the Commission. This uncertainty would likely impact the ability to expeditiously hire the consultants necessary to perform the envisioned work.

Finally, while the Bureau is more than willing and able to provide assistance finalizing the Commission's reports to the Legislature, the Bureau does not possess the experience, clerical staff, or physical space to provide assistance with meeting planning and hosting activities and other logistics. In particular, the Bureau notes that it does not maintain any meeting space under its jurisdiction and would need to request any such space from one of the houses of the Legislature. Given these limitations, the Bureau respectfully requests that, if it is the Committee's intent to keep the Bureau involved in the endeavor, that section 1(o) be amended to require the Bureau to "assist the Commission in finalizing the Commission's reports to the Legislature." To ensure that the Bureau has sufficient time to fulfill its regular

legislative drafting duties as well as to finalize the reports required by this measure by the specified deadlines, the Bureau respectfully requests that the measure be further amended to require the Commission to finalize its deliberations and, not later than October 30 of each year, submit to the Bureau a preliminary draft of its report and any request for proposed legislation and necessary supporting documents, information, and materials so that work on the proposed legislation would not adversely impact our ability to provide our core services to the Legislature in preparation for each regular session.

In summary, the Bureau respectfully requests, regardless of which agency the Committee decides to attach the Commission, that the measure be amended to:

- (1) Make it clear that the Commission is responsible for preparing the solicitation for the project director; exempt contracts under this measure from Chapter 103D, HRS; and remove the requirement that the contract for the services of a part-time project director be entered into within thirty calendar days of the finalization of the Commission's membership;
- (2) Amend section 1(i) to make clear that the contracted project director is responsible for: preparing, drafting, executing, overseeing, and assuring consulting service requests for proposals and consulting engagement contracts; and assisting the Commission with obtaining funding for its work from public and private sources; and
- (3) Amend section 1(o) to limit the Bureau's involvement to assisting the Commission in finalizing its reports to the Legislature; provided that the Commission finalizes its deliberations and, not later than October 30 of each year, submits a preliminary draft of its report to the Bureau for finalization along with any request for proposed legislation and necessary supporting documents, information, and materials.

If all of these requested amendments are made, then the Bureau believes that the services requested under the amended measure would be manageable, provided that the Bureau's interim workload is not adversely impacted by too many other studies or additional responsibilities, such as conducting studies, writing or finalizing other reports, drafting legislation, or any combination of these for the Legislature or for other state agencies, task forces, or working groups that may be requested or required under other legislative measures.

Thank you again for your consideration.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKALE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKALE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKALE

February 2, 2026

TO: The Honorable Representative Gregg Takayama, Chair
House Committee on Health

The Honorable Representative Lisa Marten, Chair
House Committee on Human Services & Homelessness

FROM: Ryan I. Yamane, Director

SUBJECT: **HB 1804 – RELATING TO LONG-TERM CARE FINANCING.**

Hearing: February 4, 2026, Time 9:00 a.m.
Conference Room 329 & via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the establishment of a joint legislative Long-Term Care Financing Advisory Commission to examine the feasibility of different financing options for long-term care services and supports.

DHS supports the bill's requirement that the Director of DHS and the Administrator of the DHS Med-QUEST Division, or their designees, serve as ex officio members of this commission. DHS looks forward to participating in the important work this group will undertake.

Thank you for the opportunity to provide testimony on this measure.

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII



KENNETH FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

CAROLINE CADIRAO
DIRECTOR
Executive Office on Aging

STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831

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(808) 586-0185

Testimony in SUPPORT of HB1804 RELATING TO LONG-TERM CARE FINANCING

COMMITTEE ON HEALTH
REP. GREGG TAKAYAMA, CHAIR
REP. SUE L. KEOHOKAPU-LEE LOY, VICE CHAIR

COMMITTEE ON HEALTH AND HUMAN SERVICES
REP. LISA MARTEN, CHAIR
REP. IKAIKA OLDS, VICE-CHAIR

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

Hearing: Wednesday, February 4, 2026, 9:00 A.M.

Conference Room: 329

- 1 **EOA Position:** The Executive Office on Aging (EOA), an attached agency to the Department of
- 2 Health (DOH), supports HB1804.
- 3 **Purpose:** This measure seeks to examine the feasibility of different public and private financing
- 4 options to pay for long-term care services and supports and determine which financing
- 5 mechanisms have objective, evidence-based merits. The proposal aligns with the Long-Term
- 6 Care Plan's recommendation to further assess viable financing strategies for long-term care.
- 7 **Recommendation:** If this measure is adopted, the Executive Office on Aging will participate as
- 8 an ex-officio member. We defer to the Department of Health for implementation.
- 9 Thank you for the opportunity to testify.



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

JOSH GREEN, MD
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA O HAWAII

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELA

JOHN C. (JACK) LEWIN, MD
ADMINISTRATOR

February 2, 2026

TO: HOUSE COMMITTEE ON HIGHER EDUCATION
Representative Andrew Takuya Garrett, Chair
Representative Terez Amato, Vice Chair
Honorable Members

FROM: John C. (Jack) Lewin, MD, Administrator, SHPDA, and Sr. Advisor to Governor Josh Green, MD on Healthcare Innovation

RE: **HB1804 Relating to Long-Term Care Financing**

HEARING: Weekday, February 4, 2026 @ 9AM am Conference Room 329

POSITION: SUPPORT with COMMENTS

Testimony:

The State Health Planning and Development Agency (SHPDA) offers its strong support for HB1804, which establishes a joint legislative Long-Term Care Financing Advisory Commission. This Commission is essential to advancing a comprehensive, data-driven evaluation of feasible financing strategies—including social-insurance-style models, public-private partnerships, and sustainable revenue options—to address Hawai'i's long-term care costs, which already exceed national averages.

The Long-Term Care Financing Permitted Interaction Group (LTC PIG), convened by SHPDA's Kūpuna Advisory Council on March 11, 2025, was created to examine long-term care financing solutions for Hawai'i's rapidly aging population. This work builds on Hawai'i's decades-long leadership in health care reform—from the groundbreaking Prepaid Health Care Act of 1974 to the nation's first attempt in 2003 to establish a publicly funded long-term care insurance program. Hawai'i has consistently recognized that access to essential care is a fundamental responsibility.

The LTC PIG's executive summary reinforces that meaningful reform must address the three pillars of health care: cost, access, and quality. Its findings identify three urgent areas for action:

- Developing reliable and sustainable long-term care funding sources
- Strengthening home- and community-based services to support aging in place

- Implementing cost-containment strategies that improve care quality while responsibly managing expenditures

To inform you of this work, the group reviewed several significant national and state initiatives, including:

- a. Hawaii Family HOPE – a mandatory income-tax-funded earned-benefit program adopted by the Legislature in 2003
- b. Washington State’s WA Cares Fund – a payroll-tax-funded earned-benefit long-term care program enacted in 2019
- c. Massachusetts’ LTSS Feasibility Study and Reimagine Aging 2030 Plan – actuarial analyses of private and public insurance models
- d. Minnesota’s Own Your Future Initiative – a comprehensive approach integrating LTSS financing, catastrophic coverage, and enhanced Medicare HCBS benefits
- e. California’s Master Plan for Aging – a person-centered, equity-focused framework for LTSS system transformation
- f. Hawai‘i’s own HCBS diversion strategy – exploring ways to transition appropriate nursing-facility residents into community-based settings to generate Medicaid savings
- g. Milliman actuarial briefings – outlining foundational principles of long-term care financing across public and private models

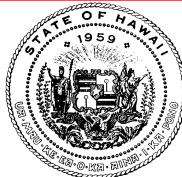
These briefings underscore a consistent message: Hawai‘i must act now. Our senior population is growing faster than the national average, and the cost of care is rising even more rapidly. Without a sustainable financing framework, families will continue to shoulder overwhelming burdens, and the state will face escalating fiscal pressures.

HB1804 provides the structure needed to continue this critical work. Establishing a Long-Term Care Financing Advisory Commission ensures that policymakers have access to updated data, actuarial expertise, and a coordinated process for evaluating viable long-term care financing solutions. Advancing this effort honors our responsibility to Hawai‘i’s Kūpuna—those who built the foundation of our communities—and ensures they receive the care, dignity, and support they deserve.

Mahalo for the opportunity to testify. -- Jack Lewin MD, Administrator, SHPDA

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII'



KENNETH S. FINK, M.D., M.G.A, M.P.H
DIRECTOR OF HEALTH
KA LUNA HO'OKELA

LATE

STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB1404
RELATING TO LONG-TERM CARE FINANCING.**

REPRESENTATIVE GREGG TAKAYAMA, CHAIR
HOUSE COMMITTEE ON HEALTH

Thursday, February 4, 2026
Room 329

1 **Fiscal Implications:** N/A.

2 **Department Testimony:**

3 The Department of Health (DOH) supports efforts to examine and propose different public and
4 private financing options for the long-term care of Hawaii's kupuna. Should this measure be
5 enacted, DOH will participate and continue to advocate for health equity, community
6 engagement, and health literacy as cornerstones of this critical public policy discussion.

7

8 Thank you for the opportunity to testify.



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**The State Legislature
House Committee on Health
House Committee on Human Services and Homelessness
Wednesday, February 4, 2026
Conference Room 329, 9:00 a.m.**

TO: The Honorable Gregg Takayama, Chair
The Honorable Lisa Marten, Chair
FROM: Keali'i S. López, State Director
RE: Support for H.B. 1804 Relating to Long Term Care Financing

Aloha Co-Chairs Takayama and Marten, and Members of the Committees:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP Hawai'i is in support of House Bill 1804 which establishes a joint legislative Long-Term Care Financing Advisory Commission to examine the feasibility of different financing options for long-term care services and supports (LTSS).

AARP's supports reforms that ensure affordable, equitable, and sustainable LTSS financing. Key principles include pursuing combined public-private financing solutions, with individuals, employers, and government all playing a role. This means the development of public social insurance programs are supplemented by private options, broader Medicare contributions, and Medicaid protections for those with the greatest needs.

Ensuring that long term care financing is broad-based and equitable, so services remain affordable for people across all income levels is critical as well as increasing access to home- and community-based services, which are both cost-effective and consistent with consumer choice. HB1804 promotes person-centered, consumer-protective policy development.

AARP's national LTSS scorecards have consistently shown that long-term care is unaffordable, inaccessible, and uneven in quality across states, and that demand will continue rising as the population ages. Hawai'i faces these same systemic pressures—making the forward-looking analysis required by HB1804 both urgent and necessary.

AARP Hawai'i believes HB1804 is a prudent, data-driven step toward ensuring that our state can support older adults, people with disabilities, and family caregivers with a sustainable long-term care financing system. By convening experts, public agencies, and consumer advocates, the bill provides the foundation for practical, evidence-based policy solutions.

Thank you for the opportunity to testify in support of H.B. 1804.

February 2, 2026

House Committee on Health
Chair Gregg Takayama
Vice Chair Keohokapu-Lee Loy
Members of the Committee

Re: HB 1804 – Relating to Long-Term Care Financing – SUPPORT

Aloha kākou!

Leading Age Pacific West is pleased to support House Bill 1804 which seeks to address the growing need for sustainable and equitable financing solutions for long-term care services and supports (LTSS), including home and community-based services. The establishment of a Long-Term Care Financing Advisory Commission represents a critical step toward ensuring that Hawai‘i’s aging population can access the care they need in their preferred setting.

LeadingAge Pacific West is a leading advocate for quality, mission-driven housing, care and services for older adults. Our nonprofit members include providers of affordable senior housing, residential care facilities for the elderly (assisted living), life plan communities, skilled nursing care, home and community-based services, home health and hospice care.

The bill’s approach, convening a joint legislative commission with the authority to engage expert consultants, aligns with best practices for developing informed, comprehensive policy recommendations. By examining a range of financing options and leveraging independent research through the Legislative Reference Bureau, the commission is well-positioned to provide objective analysis and actionable proposals. This process has the potential to address longstanding gaps in long-term care funding, which remains a significant concern for both providers and the older adult they serve.

We appreciate that HB1804 recognizes the importance of home and community-based care, which allows individuals to age in place and often results in better outcomes and higher quality of life. The bill’s reporting requirements further ensure transparency and ongoing legislative engagement as solutions are developed.

Exploring financing mechanisms that support LTSS is consistent with national trends and aligns with LeadingAge Pacific West’s commitment to person-centered care for Hawai‘i’s kupuna and their families. We wish to serve as a resource and engage proactively with policy makers for the benefit of our communities.

For these reasons, LeadingAge Pacific West is pleased to support HB 1804 and thanks you for your leadership on this important measure. If you have any questions, please do not hesitate to contact me directly at aking@leadingagepacificwest.org.

Sincerely,



Amber King
Vice President, Legislative Affairs



February 4, 2026 at 9:00 am
Conference Room 329

House Committee on Health

To: Chair Gregg Takayama
Vice Chair Sue L. Keohokapu Lee-Loy

House Committee on Human Services and Homelessness

To: Chair Lisa Marten
Vice Chair Ikaika Olds

From: Paige Heckathorn Choy
Vice President, Government Affairs
Healthcare Association of Hawaii

Re: Testimony in Support
HB 1804, Relating to Long-Term Care Financing

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to **support** this measure, which would establish a Long-Term Care Financing Advisory Commission. Determining a sustainable, fair system for financing long-term supports and services and care—including those provided by skilled nursing facilities, assisted living facilities, home health agencies, and others—has been a difficult task. We appreciate that this measure seeks to advance a thoughtful, comprehensive approach to help ensure that every family has access to high-quality long-term care services.

Establishing a commission like the one in this measure would create an important opportunity to develop solutions that are seriously needed as our population continues to age, and our organization is pleased to potentially join in this effort. We would request one modest amendment to include representation from long-term care providers, such as nursing facilities, assisted living facilities, and other licensed long-term services and supports providers. We believe their practical experience would add valuable context to the commission's work and recommendations.

We look forward to engaging constructively in this process and appreciate the legislature's commitment to addressing long-term care financing.

HAWAII ALLIANCE FOR RETIRED AMERICANS
An Affiliate of Alliance for Retired Americans

LATE

STATEMENT IN SUPPORT OF H.B. 1804
Relating to Long-Term Care Financing

Hearing: Wednesday, February 4, 2026; 9:00 a.m.
Hawaii State Capitol, Conference Room 329
Via video conference

House Committee on Health
Rep. Gregg Takayama, Chair
Rep. Sue L. Keohokapu-Lee Loy, Vice Chair

Chair Takayama, Vice Chair Keohokapu-Lee Loy, Members of the House Committee on Health:

The Hawaii Alliance for Retired Americans (HARA) **supports** H.B. 1804, which establishes a joint legislative Long-Term Care Financing Advisory Commission to examine the feasibility of financing options for long-term care services and support. The bill appropriates funds for the option to contract a part-time project director and consultants to support the Commission's purposes.

HARA is an organization of senior organizations that represent some 16,000 retirees in Hawaii. HARA's affiliates include retired members of HGEA, HSTA, ILWU, UPW, Kokua Council, and the Hawaii Caregivers Coalition.

Long-term care has been a concern for Hawaii since the 1990s—and even earlier—as the threat of the “silver tsunami” then loomed with the first “Baby Boomers” approaching the age of 65 in 2011. Today, those age 65 and older make up a quarter of Hawaii’s population—and the costs of long-term care for loved ones are threatening to bankrupt families, the State of Hawaii. and seniors themselves.

H.B. 1804 will establish a Long-Term Care Financing Advisory Commission to consider options to help make long-term care more affordable for seniors and families. The State has established commissions in the past and considered programs like Family Hope to institute mechanisms to finance long-term care services and supports. None of them produced a remedy, leaving families to bear the burden themselves or to hope they can qualify for Medicaid, which is funded fully by taxpayer dollars from the State and the Federal government. H.B. 1804 could be a game changer.

While we understand the State Administration’s concerns about legislative measures that will require new funding, we can’t keep “kicking the can down the road”—as was done with rail. The rail project could have started 20 years ago, but lawmakers hesitated, resulting in grossly increased costs. H.B. 1804 is not even asking to fund long-term care—it’s simply a first step to explore options (many of which have already been considered) to support a plan to move the needle on helping to finance long-term care for seniors and their families.

Long-term care—whether institutional care or caregiver support at home or adult day care programs—is an inevitable reality that seniors, families, and lawmakers must face. Hawaii’s population is aging, and the “silver tsunami” that many warned about 30 years ago, must be addressed. The alternative is a generation of seniors, forced to leave the workforce to care for loved ones, facing their own “golden years” without resources with which to live or a massive increase in taxes to cover continually rising Medicaid costs. Action today will help spare many a gloomy future.

The Hawaii Alliance for Retired Americans **supports H.B. 1804 and urges passage of this measure to establish a Long-Term Care Financing Advisory Commission to develop options to address the long-term care affordability crisis.**

Thank you for considering our testimony.

LATE

February 2, 2026

House Committee on Health
Chair Gregg Takayama
Vice Chair Keohokapu-Lee Loy
Members of the Committee

Re: HB 1804 – Relating to Long-Term Care Financing – SUPPORT

Aloha kākou!

Leading Age Pacific West is pleased to support House Bill 1804 which seeks to address the growing need for sustainable and equitable financing solutions for long-term care services and supports (LTSS), including home and community-based services. The establishment of a Long-Term Care Financing Advisory Commission represents a critical step toward ensuring that Hawai‘i’s aging population can access the care they need in their preferred setting.

LeadingAge Pacific West is a leading advocate for quality, mission-driven housing, care and services for older adults. Our nonprofit members include providers of affordable senior housing, residential care facilities for the elderly (assisted living), life plan communities, skilled nursing care, home and community-based services, home health and hospice care.

The bill’s approach, convening a joint legislative commission with the authority to engage expert consultants, aligns with best practices for developing informed, comprehensive policy recommendations. By examining a range of financing options and leveraging independent research through the Legislative Reference Bureau, the commission is well-positioned to provide objective analysis and actionable proposals. This process has the potential to address longstanding gaps in long-term care funding, which remains a significant concern for both providers and the older adult they serve.

We appreciate that HB1804 recognizes the importance of home and community-based care, which allows individuals to age in place and often results in better outcomes and higher quality of life. The bill’s reporting requirements further ensure transparency and ongoing legislative engagement as solutions are developed.

Exploring financing mechanisms that support LTSS is consistent with national trends and aligns with LeadingAge Pacific West’s commitment to person-centered care for Hawai‘i’s kupuna and their families. We wish to serve as a resource and engage proactively with policy makers for the benefit of our communities.

For these reasons, LeadingAge Pacific West is pleased to support HB 1804 and thanks you for your leadership on this important measure. If you have any questions, please do not hesitate to contact me directly at aking@leadingagepacificwest.org.

Sincerely,



Amber King
Vice President, Legislative Affairs

Research Information Services

Wednesday, February 4, 2026
Conference Room 329 & Videoconference

Committee name

To: Chairs Gregg Takayama & Lisa Marten
Vice Chairs Sue L. Keohokapu-Lee Loy & Ikaika Olds

FROM: Melvin Sakurai Ph.D., Research Information Services

RE: **Testimony SUPPORTING HB-1804 and suggested amendment
Relating to Long-Term Care Financing
Establishing a joint legislative Long-Term Care Financing Advisory
Commission to examine the feasibility of different financing
options for long-term care services and supports (LTSS).**

My name is Melvin Sakurai and I am a management consultant who has been involved with the issue of financing long-term care for more than three decades; co-leading program design and development for the Governor's Executive Office On Aging and principle author of the *1991 Long-Term Care Financing Report to the Legislature*. I also did pro-bono collaborative work on the mandatory financing plan passed by the Legislature in 2003 (SB 1088, SD2, HD2, CD1) that was subsequently vetoed by then Governor Lingle.

I am writing to express **SUPPORT** for **HB-1804** that will establish an independent Long-Term Care Financing Advisory Commission within the Legislature with a 3-year agenda to objectively assess and submit legislation for public and private LTSS financing options that are affordable, sustainable, and intergenerationally equitable. Twenty-one actuarial measures are stipulated for assessing alternative financing mechanisms and 18 program policy factors for home and community-based care system reforms to ensure serious, rigorous, impartially objective and trustworthy findings and legislative and policy recommendations.

The Commission is also tasked with considering equitable progressively graduated financing mechanisms that can move Hawai'i away from our current highly regressive (i.e., General Excise Tax) and punishing (Medicaid)

sources of LTSS payment that contribute to the crushing cost-of-living for most middle and lower income families in Hawai'i.

The imperative need for this Commission to get the ball rolling again to catch up with what other states like Washington (that has already established WA Cares to finance long-term care), Massachusetts, Minnesota, and California are already doing is underscored by the undeniable **existential fiscal crisis** of paying for essential LTSS care in Hawai'i and across the nation:

- A year of nursing home care now exceeds \$230,000 and the cost of comparable skilled care at home can be even more,

2024 LTSS Census, Occupancy, & Cost: Urban Honolulu or Hawaii (costs are higher for Outer Islands)										
LTC Setting & Support Services	Number of Licensed Facilities	Number of Licensed Beds	Licensed Beds Not Available Mainly Due to Staffing ¹	Average Daily Census (ADC)	Average Daily Occupancy	Average Annual Facility Length of Stay, days (ALOS)	Type of Bed	Average Daily/Hourly Rate	Average Per-Person Monthly Cost ²	
SNF/ICF ¹	4,132	450	3,168	76.7%	116.0		Private	\$637	\$19,375	\$232,505
							Semi-Private	\$582	\$17,703	\$212,430
							Ward	\$573	\$17,429	\$209,145
SNF only ¹	101	33					Private	\$586	\$17,824	\$213,890
ICF/ICF ¹	127	27					Semi-Private	\$531	\$16,151	\$193,815
							Ward	\$500	\$15,208	\$182,500
Community Access Hospital "swing" beds ²	9	119								
ARCH/Expanded ARCH (primarily private pay)--E-ARCH Level 2, cost share/SSI in-eligible patient ³	465	2,288						\$122	\$3,795	\$45,542 \$54,000 – \$90,000
Assisted Living Facility	17	2,593						\$372	\$11,315	\$135,780
CCFFH-Community Care Foster Family Homes Medicaid rates (2 Medicaid, 1 private pay)--CCFFH Level 2, cost share/SSI in-eligible ³	1,285	3,256						\$122	\$3,795	\$45,542 \$36,000 – \$72,000
Homemaker Services ⁴								\$25	\$4,316	\$51,786
Home Health Aide								\$29	\$5,125	\$61,501

¹State Health Planning & Development Agency, *Healthcare Utilization Report Hawaii 2023*; ALOS = Total Facility Inpatient Days/Annual Admissions--this is not a patient centered length of stay measure.

²Office of Healthcare Assurance, Hawaii Department of Health and QUEST, *Fee for Service Rates for Home and Community-Based Services (HCBS) Effective January 1, 2025 (MEMO NO. QI-2501A update to QI-2501)*. *These are Hawaii MedQUEST payment rates that are often questioned as to financial adequacy and anecdotally, result in significant cost shift to private-pay patients (especially for ARCH and CFFH care-- private-pay rates as a whole are*

³Inclusive of SSI + Hawaii Optional State Supplement (OSS) less Personal Needs Allowance (\$1676/month) and Medicaid Service Payment per diem (\$68.36/day; \$2,119.16/month). The estimated Private Pay rate range for E-ARCHs is \$150-\$250+/day, \$4,500-\$7,500/month; \$3,000-\$6,000/month for CCFFHs. The disparity between public and private pay rates and limited number of persons able to afford out of pocket private pay rates directly restricts access, creates staffing shortages, disincentivizes resource development/expansion, forces the use of unqualified staffing models, and creates significant efficiency and financial waste due to patient waitlisting in acute hospital beds (especially the Medicaid eligible). *MedQuest Hawaii Medicaid MEMORANDUM MEMO NO. QI-2501A (Effective January 1, 2025)' Supplemental Security Income (SSI) in Hawaii - SSA Publication SSA Pub. No. 05-11108; Genworth 2024 Cost of Care Survey for Hawaii; Kupuna Care Pair--Community Care Foster Family Homes; House Concurrent Resolution HCR94 (2024)*

⁴Home services assume 44 hours/week

- Hawaii's total annual LTSS bill exceeds **\$3.2 Billion**, almost 75% of that falling on more than **160,000 unpaid family caregivers**,

Total Annual LTSS Payments by Payment Source: Hawaii								
	Medicare	Net Medicaid ²		Private LTC Insurance ³	Estimated Out-of-Pocket Private Pay ⁴	Est. Value of Unpaid Care for HCBS ⁵	Older Americans Act AAA ⁶	TOTAL
		Federal Share	Hawaii Share					
TOTAL LTSS	\$18,929,617	\$313,027,760	\$210,080,128	\$118,686,480	\$142,995,759	\$2,325,600,000	\$33,605,066	\$3,162,924,810
Payer Percentage Share of Total	0.60%	9.90%	6.64%	3.75%	4.52%	73.53%	1.06%	100.00%
TOTAL INSTITUTIONAL LTSS	\$16,187,684⁷	\$157,149,766	\$105,466,822					\$262,616,588
TOTAL NON-INSTITUTIONAL HCBS LTSS	\$2,741,933⁸	\$155,877,994	\$104,613,306			\$2,325,600,000	\$16,802,533	\$2,602,893,833

¹CMS Medicare Geographic Variation by National, State & County (2023)

²Rough estimate derived from: FY2023 Medicaid Financial Management Report, Medicaid Budget & Expenditure System/State Children's Health Insurance Program Budget & Expenditure System (MBES/SBES) and AARP Medicaid LTSS Balance: Spending (2022)

³National Association of Insurance Commissioners, NAIC Long-Term Care Insurance Experience Reports for 2023, 2025.

⁴A proxy estimate of out-of-pocket LTSS spending is used because data are not available for Hawaii. Nationally, approximately 17% of total U.S. LTSS spending was in the form of private out-of-pocket expenditures—83% came from all other sources. We can estimate the total LTSS spend (including out-of-pocket payments) knowing that total LTSS payments were \$694,329,015 (**not including** out-of-pocket payments) by solving the equation .83(x) = \$694,329,015 (where 'x' is the total all-inclusive LTSS spend **including** out-of-pocket payments), giving a total LTSS expenditure of \$836,541,025 and a proxy out-of-pocket estimate of \$142,995,759 (which is \$836,544,025 - \$694,329,051). KFF, 10 things about long-term services and support (LTSS), July 2024; CMS, Office of the Actuary, 2022 National Health Expenditure Accounts.

⁵AARP, Hawaii Ranks High for Long-Term Care Services, But More Support Needed for Family Caregivers (2023 Scorecard data)—estimates 154,000 unpaid family care givers providing 144 Million hours @ \$16.15/hr. (25th percentile, CNA wage).

⁶Hawaii Executive Office on Aging, Aging & Disabilities Database, WellSky, ACLOAAPS, Older Americans Act Performance System report FY2023 vs. 2024

- More than **50% of Hawai'i families** earning between \$25,000 and \$125,000 annually have **no means of paying for or protecting against catastrophic LTSS expenses**—except to become impoverished to qualify for Medicaid.

Sources of LTSS Coverage for Hawaii Families by Annual Income ¹						
Annual Family Income	Percent of Population	MedQUEST	Alternative Care	Older American's Act	Out-of-Pocket	Private LTC Insurance
<\$10,000	2.80%	X	not affordable	n/a	not affordable	not affordable
\$10,000-\$24,999	6.60%	X	marginally affordable	temporary grant	not affordable	not affordable
\$25,000-\$49,999	16.10%	n/a ²	marginally affordable	temporary grant	not affordable	not affordable
\$50,000-\$74,999	14.10%	n/a ²	marginally affordable	temporary grant	not affordable	not affordable
\$75,000-\$99,999	10.30%	n/a ²	n/a	n/a	not affordable	not affordable
\$100,000-\$124,000	9.90%	n/a ²	n/a	n/a	marginally affordable	not affordable
\$125,000-\$149,999	7.60%	n/a ²	n/a	n/a	X	X
>\$150,000	30.40%	n/a ²	n/a	n/a	X	X

¹U.S. Census Bureau (2023) Table ID: B19001. American Community Survey (ACS), Household Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)

²Medicaid benefits are income qualified and "spend down" is required for incomes above maximum allowable limits.

Suggested Amendment

I believe there is need to make more explicit the expectation that the Commission will come back to the Legislature in 2027 for an appropriation to fully fund its work and administration and suggest amending SECTION 2 of the bill as follows:

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or

so much thereof as may be necessary for fiscal year 2026-2027 for the commission, through the legislative reference bureau, to contract for staffing and other administrative costs to carry out the purposes of this Act, to be allocated as follows:

- (1) \$60,000 for one part-time project director; and
- (2) \$40,000 for the staffing and administrative costs

associated with drafting request for proposals for an actuarial assessment consultant contract, policy analysis and development consultant contract, and public education and stakeholder engagement consultant contract, and detailed annual operating and administrative budgets for the commission.

The commission shall submit a request for appropriation to the Legislature on or before December 31, 2026, for the reasonable, adequate, and appropriate costs of the three consulting contracts

and the operating and administrative costs of the
commission for the duration of its existence.

The sum appropriated shall be expended by the legislative reference bureau for the purposes of this Act.

HB-1804

Submitted on: 2/2/2026 10:18:48 AM
Testimony for HLT on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Vicky Cayetano	Individual	Support	Written Testimony Only

Comments:

Dear Chair Takayama, Vice Chair Loy and Committee Members,

Thank you for the opportunity to submit testimony in support of HB 1804. We appreciate your consideration of this bill that will establish an independent Long Term Care Financing Advisory to assess public and private financing mechanisms to fix the human and fiscal crisis that Hawai'i families struggle with to provide the necessary long term care for their loved ones.

It is estimated that Hawaii's annual long term care bill exceeds \$3.2 Billion.; almost 75% of that falling on more than 160,000 family caregivers. How long can this continue?

Thank you for taking the first critical step to addressing and resolving this crisis with the establishment of a Long-Term Care Financing Advisory Commission through the passage of HB 1804.

Very respectfully,

Vicky Cayetano

February 4, 2026

WRITTEN TESTIMONY

TO

THE COMMITTEE ON HEALTH

FEBRUARY 4, 2026, 9:00 A.M. CONFERENCE ROOM 329 STATE CAPITOL

H.B. 1804, RELATING TO LONG-TERM CARE FINANCING.

Chair Takayama, Vice Chair Lee Loy, and Members of the Committee, thank you for the opportunity to testify on H.B. 1804. I am Patrick Boland, speaking as a private citizen. But I am also 85 years-old, potentially in need of long-term care someday soon, which gives me additional standing.

I strongly support this bill. The problem of inadequate long-term care services at different levels in our community, and the financing of such services, is an ongoing one. The problem is only growing as the population ages. This bill would establish a Commission to examine different financing options for such services. It establishes a Commission with a comprehensive membership, including the major stakeholders, and allows for consultants to be hired to support the work of the Commission.

It is a creative approach to the problem and merits passage.

HB1804

House Human Services & Homelessness Committee members, Chair Marten, Vice-Chair Olds, Representatives Amato, Hartsfield, Keohokapu-Lee Loy, Takayama, Takenouchi, Alcos, and Garcia.

House Bill 1804

Thank you for hearing this bill. The bill establishes a Long-Term Care Advisory Commission to assess affordable, sustainable long-term care financing mechanisms to cover the costs of long-term care that Hawaii families cannot meet.

The National Institute on Aging's multi-year National Survey of Caregivers, part of the National Health and Aging Trends study, identifies several complications of caregiving, particularly for caregivers who are employed.

Informal caregiving is the foundation of long-term care for the older population in the United States. At least 90% of persons receiving help with daily activities receive some informal care, and about two-thirds receive only informal care (Freedman et al. 2013; Kaye, Harrington & LaPlante 2010; Spillman 2009; Spillman & Black 2005). Reliance on informal care is even higher among those who have spouses or adult children, who are the most common source of informal care. Previous research has found that collectively, informal caregivers to older Americans living in non-institutional settings provide 75%-80% of total care hours, indicating their paramount importance in the long-term care system and the substantial amount of care that would have to be provided otherwise in their absence (Spillman 2009; Johnson & Wiener 2006).

Research has shown that the financial, emotional, and physical demands of caregiving can be high and that the resulting stress or burden can threaten the ability of caregivers to maintain their efforts. Kasper et al. (1994) found that perspectives on caregiving, including stress, were factors in the decision to end caregiving. Spillman & Long (2009) found that having a highly stressed caregiver was associated with a greater risk of long-stay nursing home entry over a two-year follow-up period and that financial and physical strain were important predictors of perceived high stress from caregiving. A substantial literature has examined caregiving-related stress, burden, and their consequences, especially among caregivers to people with cognitive impairment (Pinquart & Sorensen 2003, 2007).

At some point, caregivers are forced to give up their assistance to another, whether from burnout, a progression of care needs, the care needs of other family members, or more intense commitments on their "day job." These are not unexpected changes—they are consequences of increasing age and frailty. Some might say, "There is always Medicaid!"

The income restrictions of Medicaid may bind a spouse remaining in the community as soon as the person receiving care needs any institutional services.

Care to help out—to bridge the gap between family care at the expense of a family member and supported care through federal programs—is predictable and fundable for a population. **House Bill 1804** that will establish an independent **Long-Term Care Financing Advisory Commission** in the Legislature with a 3-year agenda. This is a first step toward insuring assistance as the ability to provide care as a society of volunteers shrinks.

HB-1804

Submitted on: 2/2/2026 4:35:00 PM
Testimony for HLT on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lila Mower	Individual	Support	Written Testimony Only

Comments:

I strongly support this proposal. LTC services are extremely costly in Hawaii but essential, and efforts to alleviate the financial burden of that care should be supported.

HB-1804

Submitted on: 2/3/2026 7:22:53 AM
Testimony for HLT on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathryn Braun	Individual	Support	Written Testimony Only

Comments:

I am writing in support of **HB1804**, which establishes a joint legislative Long-Term Care Financing Advisory Commission to examine the feasibility of different financing options for long-term care services and supports.

I have been teaching in the Hawai‘i school system for over 35 years, and now I’m caregiving for my husband who has retired from 40 years of service to the state. Caregiving is not easy, and so far, friends and neighbors have offered support. However, we are very concerned about the future as his disabilities progress.

We are not alone in our dilemma. Hawai‘i has the longest life expectancy in the country and one of the fastest-growing older adult populations.

The cost of long-term care in Hawai‘i also is among the highest in the United States, driven by geographic isolation, workforce shortages, and overall cost of living. Most of us cannot afford these expenses out-of-pocket, and private long-term care insurance remains inaccessible or unaffordable for many. A public financing program spreads risk broadly and provides more equitable access to care.

I urge you to support the creation and funding of a commission to begin exploring the feasibility of a public financed long-term care program for Hawai‘i.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

HB-1804

Submitted on: 2/3/2026 10:00:51 AM
Testimony for HLT on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Warren Wong	Individual	Support	Written Testimony Only

Comments:

We need to get this moving to decrease use of nursing homes, a costly alternative