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GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
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KA LUNA HO'OKELE

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DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
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'OKELE

March 2, 2026

TO: The Honorable Representative Chris Todd, Chair
House Committee on Finance

FROM: Ryan I. Yamane, Director

SUBJECT: **HB 1804 HD1 – RELATING TO LONG-TERM CARE FINANCING.**

Hearing: March 3, 2026, Time 2:00 p.m.
Conference Room 308 & 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

**STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING**
NO. 1 CAPITOL DISTRICT
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CAROLINE CADIRAO
DIRECTOR
Executive Office on Aging

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**Testimony in SUPPORT of HB1804 HD1
RELATING TO LONG-TERM CARE FINANCING**

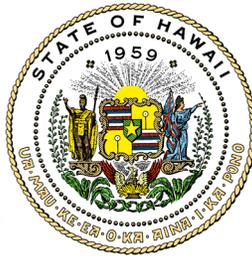
COMMITTEE ON HEALTH
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

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

Hearing: Tuesday, March 3, 2026, 2:00 P.M.

Conference Room: 308

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



HOUSE COMMITTEE ON FINANCE
The Honorable Chris Todd, Chair
The Honorable Jenna Takenouchi, Vice Chair

H.B. NO. 1804, H.D. 1, RELATING TO LONG-TERM CARE FINANCING

Hearing: Tuesday, March 3, 2026, 2:00 p.m.

The Office of the Auditor offers comments on H.B. No. 1804, H.D. 1, which establishes a long-term care financing advisory commission to examine the feasibility and merits of different public and private financing options to pay for long-term care services. The bill requires the Office of the Auditor to assist the commission with procuring the services of a part-time project director as well as consultants who will assist the commission with “actuarial assessments, policy analysis and development, and public education and stakeholder engagement.” See Sections 1 (h) and (i).

We have strong reservations about this bill as it relates to the Office of the Auditor.

The bill originally required the Legislative Reference Bureau to provide administrative support to the commission, including contracting for commission staff and procuring consultants for actuarial assessment, policy analysis and development, and public education and stakeholder engagement. In its testimony before the House Committee on Health, the Legislative Reference Bureau suggested that the Office of the Auditor is the more appropriate agency to support the commission, referring to our assessments of proposals to mandate health insurance coverage under Section 23-51, HRS, as work somehow similar to the commission’s responsibilities. The Legislative Reference Bureau’s suggestion that we are better equipped to support the commission is misinformed. Our assessments of the social and financial impacts relating to proposed health insurance mandates are not analogous to the work that we would be tasked to perform under H.B. No. 1804, H.D. 1.

Audits of state program performance are – and should be – our primary work. We assess whether programs that the Legislature created and funds are effectively and efficiently performing their statutory purpose. That work provides valuable information to the Legislature and the public about whether state policies are being implemented as intended. Our professional staff have the skills, knowledge, and training to audit program performance, which are conducted pursuant to Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. Contrary to the Legislative Reference Bureau’s suggestion, we do not possess specialized skills, knowledge, or training relating to the work tasked to us under H.B. No. 1804, H.D. 1.

Moreover, Generally Accepted Government Auditing Standards require that we are independent of programs that we audit. Providing support to the commission as proposed in the bill will

impair that independence and our ability to later audit the commission or otherwise assess it and the work related to it in the future.

We recommend that the tasks of contracting for the services of a part-time director and procuring consulting services for actual assessment, policy analysis and development, and public education and stakeholder engagement be reassigned to another agency or office more suited to assist the commission.



**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'OKELE

JOHN C. (JACK) LEWIN, MD
ADMINISTRATOR

March 2, 2026

TO: HOUSE COMMITTEE ON FINANCE
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
Honorable Members

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

RE: **HB 1804-HD1 -- RELATING TO LONG-TERM CARE FINANCING**

HEARING: Tuesday, March 3, 2026 @ 2:00 pm; Conference Room 308

POSITION: SUPPORT with COMMENTS

Testimony:

SHPDA strongly supports HB 1804-HD1, with comments.

The State Health Planning and Development Agency (SHPDA) offers its strong support for HB1804-HD1, which establishes a joint legislative LongTerm 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 decadeslong 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:

- Hawaii Family HOPE – a mandatory income tax-funded earned-benefit-program adopted by the Legislature in 2003
- Washington State’s WA Cares Fund – a payroll tax-funded earned-benefit long-term-care program enacted in 2019
- Massachusetts’ LTSS Feasibility Study and Reimagine Aging 2030 Plan – actuarial analyses of private and public insurance models
- Minnesota’s Own Your Future Initiative – a comprehensive approach integrating LTSS financing, catastrophic coverage, and enhanced Medicare HCBS benefits
- California’s Master Plan for Aging – a person centered, equity focused framework for LTSS system transformation
- Hawai’i’s own HCBS diversion strategy – exploring ways to transition appropriate nursing facility residents into community-based-settings to generate Medicaid savings
- 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-HD1 provides the structure needed to continue this critical work. Establishing a LongTerm 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.

Thank you for hearing HB 1804-HD1.

Mahalo for the opportunity to testify.

■ -- Jack Lewin, MD, Administrator, SHPDA



March 3, 2026 at 2:00 pm
Conference Room 308

House Committee on Finance

To: Chair Chris Todd
Vice Chair Jenna Takenouchi

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

Re: **Testimony in Support**
HB 1804 HD 1, 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.



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The State Legislature
House Committee on Finance
Tuesday, March 3, 2026
Conference Room 308, 2:00 p.m.

TO: The Honorable Chris Todd, Chair
FROM: Keali'i S. López, State Director
RE: Support for H.B. 1804, HD1 Relating to Long Term Care Financing

Aloha Chair Finance, and Members of the Committee:

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, HD1 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, HD1 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, HD1.

March 2, 2026

House Committee on Finance
Chair Chris Todd
Vice Chair Jenna Takenouchi
Members of the Committee

Re: HB 1804 HD 1– Relating to Long-Term Care Financing – SUPPORT

Aloha kākou!

LeadingAge Pacific West is pleased to support House Bill 1804 HD 1 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 advocates 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 HD 1 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 HD 1 and urges your support on this important measure.

Sincerely,
Amber King
Vice President, Legislative Affairs

HAWAII ALLIANCE FOR RETIRED AMERICANS
An Affiliate of Alliance for Retired Americans
(AFL-CIO)

STATEMENT IN SUPPORT OF H.B. 1804, HD1
Relating to Long-Term Care Financing

Hearing: Tuesday, March 3, 2026; 2:00 p.m.
Hawaii State Capitol, Conference Room 308
Via Videoconference

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

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance:

The Hawaii Alliance for Retired Americans (HARA) **supports** H.B. 1804, HD1, 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 support. The bill appropriates funds for the Commission, through the Legislative Auditor, to contract a part-time project director and prepare proposals for contracts for consultants to support the work of the Commission.

Thank you for scheduling a hearing on this measure to keep it alive and, we hope, to pass in this legislative session.

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.

We fully understand the Legislature's reluctance to pass legislation that would mean appropriations the State cannot afford at this time. However, the issue of financing long-term care has been debated for decades, and we are no closer to a remedy than before. Meanwhile, the population needing long-term care is growing and costs for providing long-term care services and supports are increasing exponentially. The Legislature has put off addressing this issue that squarely faces so many families in Hawaii far too long. Something must be done.

Unlike other bills in the past, H.B. 1804, HD1 will establish a Long-Term Care Financing Commission to contract with consultants to review and assess various financing options for the Commission and, ultimately, the Legislature to consider. Many of those actively advocating for H.B. 1804, HD1 have been closely involved in addressing the cost of long-term care for decades.

With long-term care costs so unaffordable, families of loved ones living with dementia or physical disabilities or chronic, debilitating illness are struggling to figure out how to take care of their family members. Their options are limited. Someone can quit their job to provide care themselves 24/7 to a loved one. But this means that family caregiver is losing the opportunity to

advance in their job or career as well as earn “credit” to qualify for Social Security or other retirement benefits, thus jeopardizing their own future income security. Another option is for the person needing care to “impoverish” themselves to qualify for Medicaid, the only program (public or private) that pays for skill nursing care. But this puts a heavy burden on taxpayers (federal and state) as more and more seek to take this path.

Legislators are well aware of these issues, but the long-term care situation has reached a crisis point. We had the warnings many, many years ago about the “silver tsunami” approaching, but the issue kept getting pushed down the road. More pressing issues needed attention and money was scarce. But when will this issue become important enough to warrant serious attention? Hawaii’s elderly population is increasing, costs are rising, and the need for a solution to the long-term care crisis is long overdue.

The Hawaii Alliance for Retired Americans **supports H.B. 1804, HD1 and urges passage** of this measure to establish a Long-Term Care Financing Advisory Commission to begin the necessary work to develop options to address the long-term care affordability crisis.

Thank you for considering our testimony.



www.AlohaILHawaii.org

Mar 2, 2026

MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

EXECUTIVE DIRECTOR

Roxanne U. Bolden

BOARD OF DIRECTORS

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Member

Scott Suzuki
Sheila Castaneda
Jennifer Hartsock

The Honorable Chris Todd, Chair
House Committee on Finance
The Thirty-Third Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

SUBJECT: HB1804 HD1, Relating to 911 Services.

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) **supports HB1804 HD1**, which establishes a Long-Term Care Financing Advisory Commission to examine the feasibility of public and private financing options for long-term care services and supports.

AILH serves individuals with disabilities statewide and works to advance home- and community-based solutions that prevent unnecessary institutionalization. We appreciate that HB1804 HD1 directs comprehensive actuarial assessment and policy analysis regarding long-term services and supports (LTSS), including examination of home- and community-based support systems, workforce shortages, unpaid caregiving burdens, Medicaid interactions, and institutional placement dynamics.

Long-term care financing is fundamentally a fiscal sustainability issue. Without strategic reform, demographic shifts and workforce shortages will continue to increase pressure on Medicaid and other state-funded programs. Thoughtful financing design that strengthens home- and community-based services (HCBS) has the potential to improve quality of life while moderating long-term institutional costs.

AILH respectfully offers the following recommendations for consideration:

- 1. Ensure Strong Disability Representation and Cross-Disability Expertise**



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While the commission includes consumer advocates and aging-focused representation, long-term care financing decisions also significantly affect individuals with physical, sensory, intellectual, developmental, and psychiatric disabilities across the lifespan. AILH recommends that disability-led organizations or cross-disability expertise be formally included in stakeholder engagement and advisory processes to ensure financing models reflect the full spectrum of LTSS needs.

2. **Prioritize Community Integration and Institutional Diversion in Financing Design**

The bill appropriately directs examination of home- and community-based reform measures. Financing proposals should explicitly analyze the cost avoidance associated with preventing institutional placements, reducing avoidable hospitalizations, and strengthening coordinated community-based care. Sustainable LTSS financing must align with federal community integration principles and reduce reliance on high-cost institutional settings when community-based alternatives are appropriate.

3. **Evaluate Workforce Stability as a Core Fiscal Variable**

The direct care workforce shortage is identified in the study scope. Any long-term financing mechanism must account for wage adequacy, workforce development pathways, and geographic equity to ensure solvency assumptions are grounded in realistic service delivery capacity.

HB1804 HD1 presents an important opportunity to engage in evidence-based, long-range planning for Hawaii's long-term care system. AILH supports the establishment of the commission and encourages a financing framework that strengthens community-based supports, advances disability inclusion, and promotes long-term fiscal stability.

Thank you for the opportunity to testify.

Aloha,



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Roxanne Bolden
Executive Director

Research Information Services

Tuesday, March 3, 2026
Conference Room 308 & Videoconference

House Committee on Finance

To: Chair Chris Todd
Vice Chair Jenna Takenouchi

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

RE: **Testimony SUPPORTING HB-1804 HD1 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 HD1** 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	Average Per-Person Annual Cost
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							
ICF/ICF ¹		127	27				Private	\$586	\$17,824	\$213,890
							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	

¹ State 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 (**\$2.3 Billion**) 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	\$16,187,684 ¹	\$157,149,766	\$105,466,822					\$262,616,588
TOTAL NON-INSTITUTIONAL HCBS LTSS	\$2,741,933 ¹	\$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 for 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 - \$694,329,015). 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.

The current political climate makes it self-evident that the question is no longer IF the State can pay—but rather, HOW can Hawai'i most affordably and fairly pay—or face making the heart breaking calculation of how much suffering and deprivation it is possible to toll.

Suggested Amendments

Testimony submitted during the joint hearing of the House Committee on Health and the Committee on Human Services & Homelessness

([HB1804 TESTIMONY_HLT-HSH_02-04-26](#)) suggest some uncertainty and confusion about the intent of certain provisions of the bill that can be rectified by the following suggested amendments:

1. **Subject matter experience, expertise & working support:** There was expressed concern that the agency to which the Commission was attached was expected to provide subject matter experience and expertise to the Commission as well as active working support, e.g., in the form of assisting in the preparation of reports.

Section 1(h) of the bill clearly rests subject matter expertise and working-support for the Commission with the contracted **Project Director**.

The agency to which the Commission is attached is merely intended to serve **simple ministerial functions such as processing payments**.

Nevertheless, the intended split in duties and responsibilities can be made much more explicit by amending Sections 1(h) and 1(o) as follows:

Section 1

(h) Within thirty calendar days of the finalization of its membership, the commission, through the auditor, shall enter into a contract for the services of a part-time project director to provide support for the commission, including but not limited to the solicitation and execution of consulting and other professional service contracts; overseeing and assuring the progress of contracted consultants;

regularly advising the commission of consulting work progress; scheduling of briefings, meetings, and public hearings; responding to questions from commission members; initiating inquiries; coordinating and performing commission reports, legislative and policy drafting; and preparing and drafting consulting service requests for proposals and consulting engagement contracts. The project director shall:

(o) The auditor shall provide administrative support to the commission, ~~including assisting with the drafting of the commission's reports to the legislature.~~

2. **Potential Confusion and Misunderstanding About the Funding for the Commission's Work:** Given the magnitude of the work to be undertaken by the Commission, it is reasonably clear that General Fund appropriations are needed to fully fund the Commission's work.

However, as HB 1804 HD1 is currently drafted, it is not explicitly clear that a **2-step funding process** is anticipated: **(First)** an initial small appropriation of \$100,000 to organize, establish a detailed line item operating budget for the Commission's life tenure, and drafting of 3 detailed technical request for proposals for actuarial, policy analysis, and stakeholder engagement consulting contracts and **(Second)** the **Commission would come back to the Legislature for full funding of its work in 2027**—providing the Legislature with highly granular detail about exactly what is to be delivered for the requested funding.

Moreover, provisions of Section 1(n) referring to private funding sources must be clearly understood as referring to sources that are meant to be supplemental “**extra money**” and not the primary source of funding for the Commission.

Questions and confusion can be alleviated by amending Section 2 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 auditor, 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 auditor for the purposes of this Act.

- 3. Other Administrative Attachment of the Commission:** Attachment of the Commission to any Executive branch department whose head or designee is a voting member of the Commission (e.g., the Executive Office on Aging as was suggested by LRB) would seem to create an appearance of undue influence as HD1 is currently drafted—especially if Section 1(o) is left intact and not amended.

Thank you for your consideration of my comments and your support for advancing HB 1804 HDI.

HB-1804-HD-1

Submitted on: 2/28/2026 2:37:52 PM

Testimony for FIN on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sara Lenzer Medeiros	Individual	Support	Written Testimony Only

Comments:

Aloha!

I am Sara Lenzer Medeiros, a 60+ year resident of Hawaii. I have lived in Kailua-Kona for 30 years, and grew up on Oahu. I am writing to urge you to support these important bills to help families pay for long term care. A hearing on this issue is really important to not only those of us who will be facing the prospect of needing care, but also those families who are facing this right now.

I grew up in a multi-generation family. And my children had the benefit of that very same opportunity. My son and his young family are soon to move home, move into my house and begin living in the same type of configuration! We are very excited about this as it is a rewarding way to live and age. We also have a daughter who is living on Oahu, and is disabled, who now is able to live independently. Though, we are also concerned with her future care needs.

It doesn't come easy as you can imagine. A large part of living this way is knowing that it is really only temporary. What I mean is that at some point, the elder or disabled person will need additional help, that their family can no longer cope on their own. Just being able to perform things like keeping up with the activities of daily living and healthcare can be a terrific struggle that can become extremely stressful and difficult.

For the family dynamic that I was fortunate to grow up in, my mother wasn't working. My Grandma Lou (Baba we called her) had her own little ohana behind our house. She was very independent until she wasn't. My mother became her caregiver. It was a full time and often difficult job. It was hard I know for my mother to do this with little or no help. Both fortunately, and unfortunately (it's possible at the same time) my Baba (aged 90) died when I was a teenager, through complications with TB that she had suffered from as a child. TB was rampant here in Hawaii at that time while she was growing up.

My parents, knew that this situation wasn't an easy one. They purchased a Long Term Care Insurance policy (LTCI) for both of them through my Dad's work at

UH. It was very very expensive! So expensive that when I grew up, I never bought one. The cost is just prohibitive. My father, being one of the first Gerontologists in Hawaii, knew they had to figure out how to pay for their care so when one of them was left, they could still be in the house they had loved and lived in for so many years. Especially needing to support children who were minors, etc. if it happened that way. So they did.

I know many families (like my own now) can't possibly afford LTCI, if they even know it is available! We all know kupuna who have turned over all their assets to their children so that they are "impoverished" enough to qualify for assistance through medicare and medicaid, and are able to get some help when they need it. The care is minimal and scary for everyone concerned. But it's something. When my mother needed that care, although they had a good policy, my father had to struggle with the insurance company to finally get them to pay for the support she needed! And he knew the words and arguments to say!

These two bills, SB 2554 and HB1804 would go along way toward helping families and individuals feel reassured that they can give the care to their loved ones when the time comes. Although the bills only establish an advisory commission to examine the complexities, it is an important step toward figuring out how to grapple with this issue! It's not even a solution, but a step toward finding something reasonable for seniors and their families. Therefore, I strongly urge you to consider and support these two (and other) bills.

Thank you for your consideration.

Malama Pono!

Sara Lenzer Medeiros

73-1788 Hao Street

Kailua Kona, Hawaii 96740

Kanealaohana@twc.com

808 (896-1813)

HB-1804-HD-1

Submitted on: 3/1/2026 5:45:06 PM

Testimony for FIN on 3/3/2026 2:00:00 PM

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

Comments:

Strong support for this proposal.

HB-1804-HD-1

Submitted on: 3/2/2026 9:22:46 AM

Testimony for FIN on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marilyn Seely	Individual	Support	Written Testimony Only

Comments:

To House Committee on Finance

Rep. Chris Todd, Chair

Rep. Jenna Takenouchi, Vice Chair

Re:HB1804 HD1

Relating to Long Term Care Financing

Dear Chair and Committee Memers

I submit this as an individual who has long been working towards a solution for the lack of support for those in need of ongoing care for chronic conditions and their families. In spite of much appreciated government funding for this very large and growing group of persons in need, those left out are facing serious consequences that affect a wide portion of our Hawai'i community.

The immediate impact intended in this bill is to gather a group of stakeholders to seriously delve into the issues of chronic care needs for those affected now and in the future and the possible sources of funding that exist now and could be developed for the future. A final report is scheduled for presentation to the State legislature in 2028 for your consideration.

The longer term impact is to demonstrate how we care for those most in need in Hawai'i by listening to their wishes for how they want to receive this care by allowing realistic options for where they want to live (at home) in comfort and safety close to those they love whenever possible. There are some resource for those below the poverty line and for those with adequate income there is long term care insurance and the ability to pay out of pocket. But for our middle class (\$25,000 to \$125,000 earners) they are left on their own.

The long term impact will also include sufficient funding for qualified workers with adequate pay and relief for families who bear the burden of care even as they themselves need assistance and put themselves at risk of needing care themselves. Those who receive care will be assured of caregivers who understand their needs both physical and social delivered in a timely manner by caring workers.

Building this industry will offer training opportunities and well paid jobs for hundreds of workers who chose to live in Hawai'i. When family members are able to trust paid workers for care for their loved ones they are able to continue working, and continue to stay involved in care without experiencing burnout from taking on responsibilities they are unable to manage themselves.

This proposal has been in the works for many years. In spite of our legislature passing a financing bill in 2004 that was vetoed, we are still in the same predicament and the need is larger than ever. Now is the time to tackle unfinished business and move this forward.

Mahalo for your consideration and your care for disabled persons and their families. May your own families benefit from this work.

Marilyn Seely, an aged and aging advocate and family caregiver.

HB-1804-HD-1

Submitted on: 3/2/2026 11:50:20 AM

Testimony for FIN on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Denise Ongjoco	Individual	Support	Written Testimony Only

Comments:

These two bills SB 2554 and HB 1804 would go a long way in supporting our present and future generations, that they will be able to support their families and individuals as we age in a economy that doesn't support our aging community enough. Tho it may not be the complete answer to all the complexities of this issue, this will be a start to help us stay in Hawai'i as we age.

HB 1804 HD1

Testimony from:

Lawrence H. Nitz

1180 Kika Pl, Kailua, HI 96734

Chairs and Members of the House Finance Committee:

Testimony in SUPPORT of HB 1804 HD!

LTC Financing Advisory Commission

Hawaii has proposed three long-term-care financing programs over the past 35 years. The proposed programs would have provided insured benefits for Hawaii's older citizens should they become frail and unable to manage the activities of daily living. The programs offered a base upon which private insurance might be built for those who could manage. It provided support for those families for whom access to Medicare benefits might require “spending down” to meet Medicaid income and asset limitations.

There is nothing inherently unfair in this procedure, but so many homes in Hawaii house multiple subfamilies—grandparents, parents, etc. Spending down to Medicaid limits essentially puts the whole set of families at risk.

The LTC Financing Advisory Commission is intended to develop an actuarially funded public financing program for long-term care that would provide families and caregivers with a degree of financial protection, resources for caregiving, and support as the care needs of its elders might grow. The program would provide a stable, actuarially solid source of regular funding to cover care into the future.

The proposed LTC funding program, based on stable income, covering all folks in Hawaii, will put Hawaii back in the forefront of family supportive American States.

HB-1804-HD-1

Submitted on: 3/2/2026 8:02:49 PM

Testimony for FIN on 3/3/2026 2:00:00 PM

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

Comments:

Dear Chair Todd and Vice Chair Takenouchi,

I stand in strong support of HB1804 HD1. This is the first step towards addressing and resolving a critical issue that affects every family in the state of Hawaii in one way or another.

Respectfully, it is long overdue and with every year that we delay addressing long term care for our kupuna, it makes the solution more difficult to achieve.

Thank you very much for your consideration. Thank you for caring about our families.

Respectfully,

Vicky Cayetano