
A BILL FOR AN ACT

RELATING TO THE ESTABLISHMENT OF A LONG-TERM CARE INSURANCE
PREMIUM TO PROVIDE HOME CARE SERVICES.

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

1 SECTION 1. The Silver Legislature believes that the approach
2 to long-term care to help Hawaii's elderly and disabled should be
3 prompted by compassion and caring, although the problem is
4 inextricably one of economics. Medicaid, Medicare, long-term care
5 insurance, and personal assets are insufficient or inaccessible to
6 most individuals. Institutional care is viewed by many as too
7 costly, too consumptive of scarce public dollars, confining, and
8 uncaring.

9 National polls have shown that families are willing to pay
10 their fair share, even if it means a premium because long-term care
11 is a family problem, does not go away, and affects the young and the
12 old; families are willing to pay a little now rather than a whole
13 lot more later.

14 The Silver Legislature believes that a consumer-funded and
15 directed social long-term care insurance plan:

- 16 (1) Assures a floor of income protection upon retirement to meet
17 a societal need to see that elders do not live and die in
18 poverty.
- 19 (2) Benefits the majority of the adult population.
- 20 (3) Bridges the gap between the very poor and those who are able
21 to cover the cost of their own long-term care.
- 22 (4) Provides long-term care benefits for younger adults who may
23 require but not qualify for private long-term care insurance.

1 (5) Helps families in the "sandwich generation" who bear the
2 long-term care cost of their parents and grandparents.

3 (6) Provides some assured, even if modest, level of care for the
4 greatest number of citizens.

5 The purpose of this Act is to establish a universal and
6 affordable system for long-term care that provides up front
7 financial assistance to support frail persons who wish to remain in
8 their own homes.

9 SECTION 2. There is established a Long-term Care Insurance
10 Premium to provide home care services.

11 The State of Hawaii shall impose a monthly long-term care
12 premium of \$10, to be collected by the Department of Taxation from
13 each person who is aged twenty-five to ninety-eight and is a regular
14 employee or self-employed, and deposited into the Hawaii Long-term
15 Care Benefits Fund. The premium shall be increased by \$.50 - \$1 a
16 month in the years 2006 through 2010. Thereafter, the amount may be
17 increased upon request of the Board of Trustees, who is to
18 administer the program, to the Legislature.

19 Individuals who are fully vested (ten years) shall receive full
20 benefit payments for home care services. Those partially vested
21 shall receive proportional benefits. Payments shall begin in July
22 1, 2009, thirty days after approval of the written certification
23 from a physician or advanced practice registered nurse assigned by
24 the Board of Trustees that the person needs one or more long-term
25 care services.

26 To be eligible, a vested individual must need help with two or
27 more activities of daily living or have Alzheimer's disease or
28 dementia. The benefit payment is \$70 a day, up to a cumulative
29 three hundred sixty-five days, for home care services. Payments are
30 primary to Medicaid and private insurance payments but are not made
31 when a person is receiving Medicare benefits for long-term care.

32 SECTION 3. There is appropriated out of the General Revenues
33 \$3 million for the purposes of this Act.

34 SECTION 4. This Act shall take affect on July 1, 2006.