



Aging & Disability Issues 2012

A Guide for Hawai'i's Legislators, Organizations & Citizens

Aging & Disability Issues 2012 is a joint project of the Hawai'i Family Caregiver Coalition, the Hawai'i Pacific Gerontological Society, and the Maui County Office On Aging.



hawaii pacific gerontological society

The **HAWAII FAMILY CAREGIVER COALITION** was formed to develop new partnerships at local and state levels to advance a coordinated approach to address the needs of Hawai'i's family caregivers. As caregiving touches everyone, the mission of the Hawai'i Family Caregiver Coalition is to improve the quality of life of those who give and receive care by increasing community awareness of caregiver issues through continuing advocacy, education, and training.

Over the years, the Hawai'i Family Caregiver Coalition has supported our community by sponsoring the following projects:

- Holo Imua Kakou Legislative Reception
- Family Caregiver Awards Program – a joint venture with KHON2's Elderhood Project
- Aging and Disability Issues Report
- Family Caregiver Awareness Day and Resource Fair
- Family Caregivers Speakers' Bureau
- Family Caregiver's Kit for Businesses

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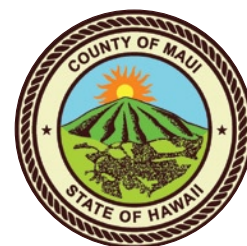
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Organized in 1979, the **HAWAII PACIFIC GERONTOLOGICAL SOCIETY** (HPGS) is a not-for-profit organization whose mission is "to provide professionals and students in the field of aging with vital information, workshops, networking, and scholarships to enhance the gerontology workforce, to support the creation of needed policies and programs, and to deliver excellent service to the aging population in Hawai'i and the Pacific.

If you are a professional or non-professional, actively retired or still employed, young or not so young, if you are engaged by the idea of creating a better Hawai'i for our elders, please accept this invitation to join the Hawai'i Pacific Gerontological Society now!

Please visit the Hawai'i Pacific Gerontological Society online at www.hpgs.org or mail your inquiry to:

Hawai'i Pacific Gerontological Society
P.O. Box 3714
Honolulu, Hawai'i 96812



The **MAUI COUNTY OFFICE ON AGING** (MCOA) takes the lead role in aging issues on behalf of the older persons in Maui County. As the designated lead agency at the local level, MCOA promotes and protects the well-being of the older person in Maui County. For more information about MCOA, please contact:

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Section 1 - The Current Context & Fiscal Challenge

Introduction:

The Current Context & Fiscal Challenge

Aging & Disability Issues 2012 is the seventh annual publication that offers an overview of legislative issues dealing with aging, disability, caregiving, and long-term supports and services. The purpose is to call attention to the priority issues which deserve the serious attention of our lawmakers, advocates, and the public. It is a joint project of the Hawai'i Family Caregiver Coalition (HFCC), the Hawai'i Pacific Gerontological Society (HPGS), and the Maui County Office on Aging. Their support is gratefully acknowledged.

This report has five sections. Section 1 provides general background by describing the current fiscal and political context in Hawai'i relevant to aging and disability issues and current initiatives of the federal and state governments in responding to the needs of the elderly and persons with disabilities. The section also discusses the challenge posed by the state's fiscal dilemmas, both short and long-term, while coping with a rapidly expanding older population, and describes the path our state administration and legislature intend to follow to meet this challenge. The section concludes with principles which we believe should underlie political decision-making by the administration and the Legislature.

Sections 2, 3, and 4 discuss the priority aging and disability issues before the 2012 Legislative Session. Section 2 describes the legislative priorities of the Aging Network and the critical bills which address these priorities. Section 3 describes the recommendations of the Long-Term Care Commission for shaping the future of long-term care in Hawai'i and the bills intended to initiate implementation



of these recommendations. Section 4 discusses the priority bills of the Kupauna Caucus and other bills which are important to aging and disability issues. Note that all of the bills in these Sections were still being considered for passage at the time this report was written. Readers interested in the fate of particular bills should consult their representative or senator's office, or look up the measure by number (e.g., HB 1234) on the legislative website, www.capitol.hawaii.gov.

People are most likely to be motivated to support public policies when they perceive that a problem may affect them personally. In addition to a summary of bills, **Aging & Disability Issues 2012** includes personal stories which describe the difficulties any of us could experience if faced with aging or disability. These stories provide a human face to legislative issues by illustrating how these issues are embodied in the very human experiences of individuals and families.

Aging & Disability Issues 2012 concludes with Section 5, which lists available information, education, and research resources relevant to aging and disability issues.

The Current Context

The year 2011 was the first year of Governor Abercrombie's administration, with the promise of "A New Day in Hawai'i." The continuing economic recession and fiscal crisis, however, has meant continued reductions in the "safety net" of services for the elderly, as well as for other vulnerable populations. However, the state ended 2011 with the first budget surplus in three years, and revenue is increasing as a consequence of economic recovery. While the priority of the state will continue to be focused on economic recovery, there is now promise for better times. In his 2012 State of the State message, Governor Abercrombie noted, "Seniors want to age in their communities; they want to age in their homes. But more importantly, they deserve to do so. And they deserve to do so with dignity. That is why I am committed to strengthening our system of home- and community-based services. Their needs can no longer, and should no longer, be ignored."¹

Positive changes are underway—typically outside of public view—to fulfill the Governor's promise to create a more effective and a more efficient state gov-

ernment. These efforts include reducing fragmentation between departments and consolidation of some responsibilities to increase effectiveness. An important example is a national effort to consolidate aging and disability programs. Over the years, separate bureaucratic programs and funding streams have developed for elders and for persons in various categories of disability. Nevertheless, older adults and other persons with disabilities have similar problems and require many of the same services. The U.S. Administration on Aging and Centers for Medicare and Medicaid Services provided initial funding for state and county offices on aging to create Aging and Disability Resource Centers (ADRC's), which are designed to provide both older citizens and other disabled adults a single access to the myriad of available programs. These and other efforts at consolidation should greatly enhance the effectiveness and efficiency of long-term care services for both elderly and younger disabled persons.



AGING AND DISABILITY RESOURCE CENTER

The Executive Office on Aging along with its partners in the aging and disability networks are undergoing a systems change to implement Aging and Disability Resource Centers in each county. Other changes include the Community Living Program and person-centered Hospital Discharge Planning initiatives. These initiatives are a significant change from the traditional way of providing services for people who need long-term supports and services by empowering consumers through expanding their choices over who and how they will receive needed care. The Executive Office on Aging has also secured federal funding from the Lifespan Respite Pro-

gram which supports informal caregiving and assists individuals to age in place. A new four-year plan, *Hawai'i State Plan on Aging: October 1, 2011–September 30, 2015*, includes specific goals, objectives, a timetable, and measurable benchmarks.² When fully realized, these initiatives will greatly enhance care for disabled and elderly persons in Hawai'i. The challenge is to mobilize the political will to see these projects fully realized.

Dealing with the Fiscal Dilemma

Two critical realities set the stage for **Ag- ing & Disability Issues 2012**. To some degree, these realities stand in tension with one another. The first reality is that the older population is rapidly growing. On the one hand, enormous numbers of baby boomers are entering old age; these are the so-called "young old." On the other hand, the "old old," those 85 and older, are also increasing very rapidly. In the year 2000 in Hawai'i, the 85+ population numbered less than 18,000. By 2010, this group was estimated to be nearly 30,000, and by 2030, over 40,000 of our citizens will be in this age group.³ Persons over 85 pose the more immediate challenge to state government because they experience more illness and disability, and place greater demands on public and private resources. For example, in 2000, whereas only 4.7% of persons 60 to 74 needed any personal assistance, 6.8% of those 75 to 84 needed assistance, and 22.1% of persons 85 and older needed some personal care—more than a three-fold increase.⁴

The second reality is the financial crisis affecting both the nation and almost every state. This crisis has two parts. First, both federal and state governments face immediate budget crises due to the economic recession and declines in tax revenues while



there has been growing demand for services by those suffering from the recession. In Hawai'i, the state government is constitutionally required to have a balanced budget every year. While revenues have increased over the past year, they still fall far short of being able to restore the level of services prior to the recession, much less to address the growing needs such as the increasing number of elderly persons who need services. Second, the problem is further compounded by the unfunded liabilities the state faces in fulfilling its long-term obligation to pay for the retirement and health care benefits of public workers and retirees into the future. In 2008, for example, Hawai'i had an unfunded pension liability of about \$5.2 billion and an unfunded obligation for the future health care of public worker retirees of approximately \$10.8 billion.⁵

Unfortunately, the need to address the fiscal crisis is in tension with the need to expand services to address the growing needs for eldercare, as well as for other vulnerable groups. The Governor's New Day Plan emphasizes economic recovery and growth as a key strategy for meeting this challenge, which is to be realized through job growth, improving the economic foundation of the state, upgrading the workforce through investing and reforming education, and finally, through restructuring state government to be more efficient and effective.⁶

A Maui Caregiver Story: Pat and Alice...One Year Later

We first met 82-year-olds Pat Park and Alice Martin in "Aging & Disabilities Issues 2011," one year ago. Pat had just returned home from a rehabilitation facility due to removal of a brain tumor, and Alice was experiencing her first weeks of full-time caregiving after recently overcoming breast cancer.

In the past 12 months, Pat and Alice have demonstrated a strong resolve to remain living independently and with dignity. They epitomize the situations that Kupuna Care services are designed to address. In spite of the health challenges and resulting physical limitations, Pat remains at home with Alice as her primary caregiver. With Alice by her side, Pat has progressed from being bed-ridden with around-the-clock care to using a wheelchair (occasionally a walker) and needing only basic services.

In the last year, Kupuna Care services have assisted Pat to enjoy the opportunity to age in place. Currently, Pat and Alice receive home delivered meals, homemaker, and chore services. Due to the incline of their driveway and the need for a vehicle that can accommodate a wheelchair, they supplement these services with private pay transportation services. Additional caregiver help has further supported these two very determined women.

Pat asserts that since the women are "less than young," they are deeply appreciative of the services they receive. She also stated that when she considers the situation the women were in a year ago, there are "no complaints." Both women acknowledge that through perseverance, they have adapted and found a way to manage their situation. "We would have had a much harder time adapting without the help of Kupuna Care services," Pat stated. "It's very hard to ask for help, but Maui County Office on Aging has made it very easy to get the help we need to be as self-sufficient as possible."

Both women agree that "the one thing old people fear more than anything else is losing their independence." Services such as Kupuna Care, however, allow them to "still feel a semblance of independence." Pat and Alice say that they have learned a lot in the last year. Both women feel fortunate in spite of their current challenges. They are glad that they are a part of the "quiet minority in the community of seniors who are benefiting daily from Kupuna Care services."

The women hope that those in decision-making positions will "listen and understand that there are many people who rely heavily on Kupuna Care Services that are kept alive and healthy by those services." They believe that there is no way to put a price on the benefits that these services provide every day.

What is in the future for Pat and Alice? "I want to try to be even more independent," insisted Pat of their future. "If you know me and Alice, we'll try everything!"



The State administration and legislature are working to realize these goals, including by short-term stimulus to the economy through public construction projects. In addition,

they seek to find ways to reduce expenses and raise revenues. Bureaucratic consolidation and improvements in technology are underway to increase efficiency. Measures have

been taken to create greater fairness in the tax system, close tax loop holes, and eliminate or reduce tax exemptions to organizations and businesses who can afford to contribute more.



Other measures to reform the pension system and worker benefits are also being considered.

This path is in sharp contrast to the often expressed opinion that there is no choice but to reduce the role of government in providing health and social programs. While these measures will take some time, our Governor and our legislature have shown their commitment to care for our vulnerable disabled and elderly, and to find the resources which make this possible in a fiscally responsible manner.

Principles for Political Decisions

This section concludes by noting general principles which we believe should be observed when the administration and legislature face making difficult decisions this year.

FISCAL MEASURES SHOULD SPREAD THE BURDEN ACROSS THE ENTIRE POPULATION. In times of economic downturn, the easiest response is to reduce public services to the most vulnerable citizens who depend upon these services to meet their basic needs. We believe that such measures typically generate further social and health

problems and are lacking in fairness. Instead, our tax system needs to be reformed to achieve greater equity and to increase available revenue by spreading the burden to support essential state services across the entire population.

PRESERVE THE SAFETY NET OF HOME AND COMMUNITY-BASED SERVICES.

Unpaid family caregivers provide approximately 80% of the care of disabled and frail elderly individuals. Patients cared for in their homes have higher life satisfaction and higher levels of functioning than those placed in institutional environments. The public interest is best served by maintaining those programs that provide services to frail and disabled persons in their homes and assist families in continuing to provide informal care. Reductions of such services would likely result in greater dependence on expensive institutional care.

DEVELOP ESSENTIAL PUBLIC-PRIVATE PARTNERSHIPS.

Traditionally, the Aging Network has drawn most heavily on federal and state resources. Many programs came into existence as a result of the federal Older Americans Act of 1965. Forty-six years later, it is abundantly clear that, even under good



economic conditions, existing public programs cannot begin to meet all the needs of today's older population. These can be met only if and when the resources of the private sector are also engaged in this effort. Legislators and public programs must explore ways of creating working relationships with employers, unions, faith communities, and philanthropists in addressing the issues faced by disabled and elderly persons and their caregivers. Everyone has a shared responsibility to care for our kupuna and for those who face difficult challenges due to disabilities.

References

¹Governor Neil Abercrombie, "Investing Now for Hawai'i's Future," State of the State Address 2012, January 23, 2012.

²Hawaii Executive Office on Aging, *Hawai'i State Plan on Aging: October 1, 2011–September 30, 2015*, Honolulu, Department of Health, Hawai'i State Government, 2011.

³Hawai'i Executive Office on Aging, *Hawai'i State Plan on Aging: October 1, 2008 – 2011*. Honolulu: Department of Health, Hawai'i State Government, October 2007.

⁴Hawai'i Executive Office on Aging, *Profile of Hawai'i's Older Adults and Their Caregivers*, Hawai'i Department of Health, January 2006.

⁵The Trillion Dollar Gap: Underfunded State Retirement Systems and the Roads to Reform. The Pew Center on the States. Washington, DC and Philadelphia, PA: The Pew Charitable Trusts February, 2010.

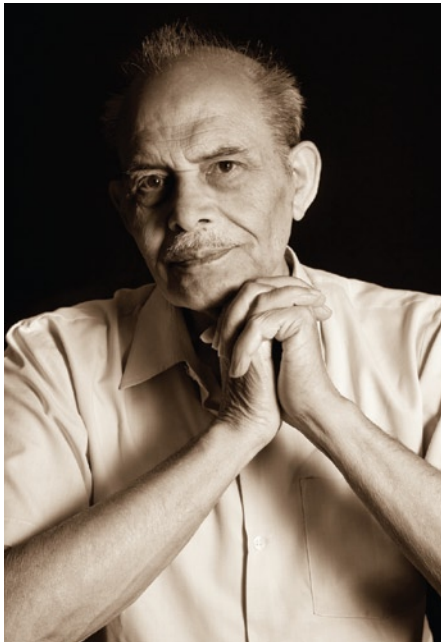
⁶Governor Neil Abercrombie, *The New Day Plan*, www.hawaii.gov/gov/newsroom/in-the-news/the-new-day-plan 2012.

Section 2 - Priorities of the Aging Network

Review of Policies & Programs:

Priorities of the Aging Network

Hawai'i, along with many states, has undergone dramatic reductions in revenue available for health and social programs. As in the past few years, maintaining funding for current programs is the priority of senior advocacy organizations for this legislative session.



Priorities in Funding Current Programs

AGING AND DISABILITY RESOURCE CENTERS (ADRC'S). Individuals and families are typically caught unprepared by the onset of disability or serious disease. Only a small minority have planned who would provide care and how they would pay for needed care.⁷ Most individuals have no knowledge of the many agencies and programs that might be able to assist them or where to turn for assistance. ADRC's are designed to provide a single place for all persons with disabilities and their caregivers to seek assistance and to ac-

An Extraordinary Caregiver

Katherine is currently caring for her mother and her mother-in-law, although she retired from the DOE as principal of Hilo High School to care for her then critically ill father. Her father passed 10 months after she retired and he was Katherine's first caregiving experience which led to her caring for four other care recipients over five years.

Kathy said Kupuna Care services made a big difference, and she is relieved that the case managers know the range of services available and help her understand the options as her loved ones' needs change—and as their health declines and new issues arise. Having Kupuna Care services gave Kathy instant access to professionals who could help her get information and access right away to help when new needs arose.

If she didn't have Kupuna Care services for her care recipients, Kathy said she would have a lot of stress and spend a lot more time and energy trying to get her family's needs met. She also said Kupuna Care helped her as a caregiver to establish balance in her life by prioritizing taking care of herself while caring for her loved ones.



cess the myriad of available programs. The creation of ADRC's is an effort to reduce fragmentation and bureaucratic duplication. The Executive Office on Aging is working with each county in implementing a five-year plan to have fully functioning ADRC's throughout the state. The state and counties need to assume responsibility for continuing their development and sustaining them. Governor Abercrombie has proposed \$1.4 million for ADRC development in the 2012 budget. **SB 2779** provides the \$1.4 million for the ADRC

THE KUPUNA CARE PROGRAM. Kupuna Care provides home and community-based services for the non-Medicaid frail elderly. The Executive Office on Aging allocates funds to the county offices on aging, which administer the program in their counties and contract for services with private non-profit and for-profit agencies. Kupuna Care services include personal care, chore services, attendant care, case manage-



ment, housekeeper, assisted transportation, home-delivered meals, and day care programs. These services enable frail and disabled persons to remain in their homes and to delay or avoid enrollment in Medicaid and placement in expensive residential facilities. The need for these services is growing and will continue to grow. The base budget of \$4.8 million has remained constant while the number of people who need services is rapidly increasing. For the past year, a 2010 appropriation from the Emergency Budget and Reserve Fund helped reduce wait-lists. How-

ever, these funds will expire in June 2012. An additional \$4.2 million is needed to sustain current levels of service during 2012-2013. These addi-



tional funds would allow services for an additional 1,254 to 3,398 individuals depending upon their level impairment and targeted service need.

SB 2320 appropriates funding for Kupuna Care services, the Healthy Aging Partnership program, senior centers, and elder registration services.

SB 2659 appropriates moneys from the Emergency and Budget Reserve Fund for Kupuna Care. SB 2320 is the preferred bill, but this bill provides a

Kupuna Care Bridges Gap for O'ahu Pair



An 89-year-old widow living on O'ahu is the sole caregiver to her frail 80-year-old brother. He has difficulty walking, is hearing impaired, and has neurological problems with both hands. They receive the following Kupuna Care services: meals and assisted transportation to medical appointments, shopping and banking.

During the time the caregiver was hospitalized after suffering a stroke, Kupuna Care services were increased, and three volunteers stepped in to provide care for the brother. If Kupuna Care services were stopped, this 80-year-old frail elder will not have assistance with food or meal preparation, nor support with transportation to medical appointments, his bank, and grocery shopping. Both caregiver and care recipient will not be able to live at home—a big dilemma. Without Kupuna Care services, both of these frail elders face institutionalization.

backup source of funds.

HEALTHY AGING PARTNERSHIP. A third priority for the 2012 Legislative session is funding the Healthy Aging

Partnership, which is part of a national initiative for older adults to participate in evidence-based health promotion programs. Reducing the incidence of disability and serious health problems is far less costly than having to undergo complex treatments and having to receive long-term assistance. Unfortunately, funding for preventive programs typically receives low priority. Nevertheless, two programs have been initiated in Hawai'i.

The first is Better Choices, Better Health (Ke Ola Pono—Healthy Living), which is a chronic disease self-management program. The program is a public-private partnership led by the Executive Office on Aging with the four Area Agencies on Aging, the Department of Health, and the University of Hawai'i in partnership with 40 service providers throughout the state. From 2006 to 2011, there were

Son Puts 'Ohana First

For the past seven years, Rueben Dronio has kept a promise made to his mother to come home to Kaua'i when she needed him. His mother taught him that "ohana is always first."

With Kupuna Care services, Mr. Dronio worries less about his mother, who benefits from home-delivered meals and the social interaction she receives. He is relieved that someone will check on his mother during the day when he is away and he is glad that the meal delivery person



brightens his mother's day. If Kupuna Care services were withdrawn, this caregiver would worry that his mother was not eating well and whether she would be okay when he returned home.

1,542 graduates of this program statewide. An evaluation by University of Hawai'i researchers found that graduates had decreased physician office visits, hospitalizations, emergency room visits, reduced symptoms, and an increased number of days spent in physical activity. These outcomes translate into significant health care cost savings.



The second program in the Healthy Aging Partnership is Enhanced Fitness, which serves near-frail elderly persons with the aim to improve their health status and physical functioning through group exercise sessions. This program has been implemented in eight sites on the island of Kaua'i and had 291 graduates between 2006 and 2011. The University of Hawai'i evaluation of the program indicated graduates had significantly reduced their number of falls, improved upper body strength, and improved mobility and balance. These results suggest the program is important in reducing injuries and in enhancing overall health status.

The modest \$426,722 request is to fund 19 Better Choices, Better Health six-week workshops statewide and 8 Enhance Fitness sites on Kaua'i. Additional funding from the federal gov-

Kupuna Care Averts Depression for Mom

Richard Wong is a 52-year-old caregiver to his mother, 75, living in Lahaina. The family benefits from Kupuna Care adult day care and adult day respite services for a total of six days a month.

Before Kupuna Care services, Mrs. Wong stayed home alone every day and became very withdrawn and depressed. She is doing really well with day care. Mr. Wong says his mother comes alive when she arrives at day care where she has many friends. He said her mood has improved even on the days when she does not go to the day care center. "I can see the difference," said Mr. Wong. "She is more talkative now; she can have a conversation."

Without Kupuna Care services, Mr. Wong said he would have to stop bringing his mother to the West Maui Adult Day Care Center because it would be a financial hardship. "Mom would stay home alone and she would become depressed again," he said.

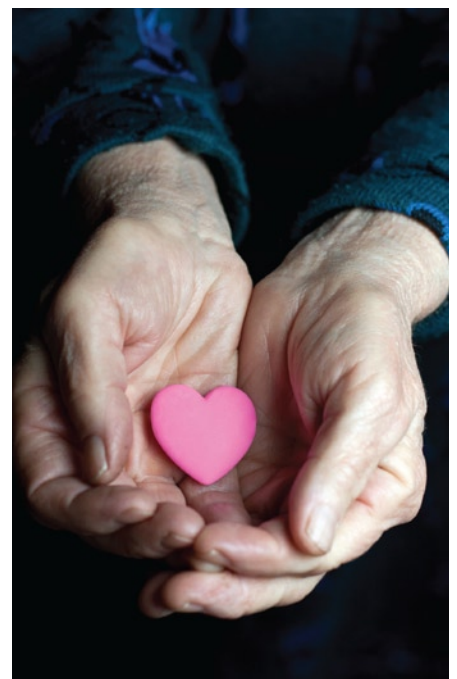


ernment and private foundations is being sought to sustain the program and to expand both programs to reach those who could benefit throughout the state. The evidence clearly notes that investing in these programs is cost effective.

SB 2320 appropriates funding for Kupuna Care services, the Healthy Aging Partnership program, senior centers, and elder registration services.

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⁷Galina Khatutsky, Joshua Wiener, Heather Best, Joseph McMichael. Assessing Long-Term Care Policy Options in Hawai'i: Results from the Long-Term Care Survey. Hawai'i Long-Term Care Commission. Public Policy Center, University of Hawai'i at Manoa. December 2010: Figure 11, p. 16. www.publicpolicycenter.hawaii.edu/documents/RTI-Survey_Results_Report-FINAL.pdf.



Section 3 - Implementing LTC Commission Recommendations

Review of Policies & Programs: Implementing Long-Term Care Commission Recommendations

Act 224 of Hawai'i Session Laws 2008 established the Hawai'i Long-Term Care Commission to conduct a comprehensive assessment of long-term care services in Hawai'i and to make recommendations to the Legislature. The final report of the Commission was delivered to the Legislature on January 18, 2012.⁸ The report offers a comprehensive set of recommendations which address the most pressing problems with the current structure of providing long-term care services, as well as the challenge of financing services as the vulnerable population grows in the coming decades. This section offers an overview of the recommendations and describes the bills which propose first steps towards implementation.

The eight recommendations of the Commission can be summarized under three major headings: 1) Conducting a public awareness education campaign to correct misinformation and call attention to the need for families to plan for long-term care as a normal life event; 2) Identifying viable financing mechanisms to support the increasing long-term care needs of an aging population; and 3) Restructuring the long-term care system to reduce fragmentation and to achieve more coherence, accountability, and effectiveness.

Creating a Public Awareness Campaign on Long-Term Care

An important first-step in reforming long-term care is increasing the public's awareness of the issues, the various options which are available to families, and the need for public policies supporting long-term care. Individuals usually are uncomfortable thinking about long-term care. No one likes to contemplate being

disabled and planning entails expensive choices. A comprehensive community education program needs to face these challenges, as well as take into account the diversity of Hawai'i's population and the contrasting circumstances of individuals and families.

SB 2308 requests the state's Executive Office on Aging to conduct an education and awareness campaign to inform the public of the risks of long-term care, motivate residents to plan for future needs, reduce misinformation about who pays for long-term care, and inform them of possible alternatives for financing long-term care.

Identifying Alternatives for Financing Long-Term Care

The Commission considered a range of both private and public options for financing long-term care. Currently, a chronic shortage of funds for public services results in many unmet needs, a heavy and costly burden on family caregivers, and too often, less than quality care for frail elderly and disabled persons. The expense of long-term care is potentially catastrophic for families, as well as for the state. The most viable approach to meeting this challenge is to recognize the need for shared responsibility for financing care.⁹

FAMILY ECONOMIC CIRCUMSTANCES play a large role in the financing of long-term care. The Medicaid program provides a high proportion of long-term care financing for the poor; however, many people enroll after "spending down" their assets. Affluent families have more choices, including paying for costs out-of-pocket, buying into a residential continuing care residence, or purchasing private long-term care insurance. However, the vast number of families in the economic middle typi-

cally have no resources and no financial plan for paying for long-term care.^{8,10} The challenge is to address the financing of care for such families and to reduce



the need to enroll in Medicaid, which simply increases the financial burden on the state and taxpayers.

IDENTIFYING FINANCING MECHANISMS. The Commission offered the following recommendations for increasing the financial resources available for long-term care:

A. The purchase of private long-term care should be encouraged. However, the Commission rejected the use of tax incentives for purchasing private insurance because studies show such incentives do not increase the purchase of insurance and mostly provide a financial subsidy to more affluent persons who would purchase the insurance without the subsidy. For the same reasons, the Commission did not recommend the "public-private partnership" Medicaid waiver program, which would allow persons who buy private insurance to qualify for Medicaid while sheltering their assets. A positive recommendation was for the State to explore giving employers an incentive for offering long-term care insurance to their employees.

HCR 15 requests the State Auditor to study possible ways, other than tax

incentives, to encourage employers to provide and pay for LTC Insurance, and individuals to buy LTC Insurance.

B. Life Insurance policies can be used to fund long-term care under some circumstances. Some policies allow an accelerated death benefit whereby all or a portion of the death benefit is paid out for certain purposes prior to death. Viatical insurance settlements allow a policy to be sold to a third party in exchange for



funds which are a portion of the face-value. The public should be educated about the availability of policies with these provisions, but protections need to be in place against fraud and abuse.

SB 3062 requires viatical settlement providers to be licensed by the Insurance Commissioner and that the Commissioner establish licensing requirements, fees, and standards.

C. A modest public insurance program would provide a basic benefit to nearly all persons who have been employed in Hawai'i. It is highly unlikely that more than a minority of people in Hawai'i will choose to purchase or qualify for private long-term care insurance. To provide something closer to universal coverage, a public insurance program is required. Private insurance would continue to be available to supplement the limited benefit of the public insurance. Participation would be mandatory and involve a payroll deduction. By being broad-based and having a limited benefit, the premium would be very affordable. The specific parameters of the program need to be developed and then an actuarial study completed to assure financial viability.

SB 2321 proposes the convening of a task force to determine the feasibility of establishing a limited, mandatory public long-term care insurance program.

Restructure the Long-Term Care System

The Commission found that current long-term care services are not a system but highly fragmented and lacking in a centralized authority and accountability. Their recommendations include rebalancing long-term care by emphasizing home and community-based services, consolidating the oversight of various long-term care residential alternatives, and unifying long-term care services and planning under a single authority.

Expanding current programs that offer home and community-based services includes, first, continuing the development of ADRCs as single access centers throughout the state where disabled persons and caregivers can seek help and arrange for relevant services. Second, the Commission recommends expansion of the Kupuna Care program to serve more clients and that the program consider possible cost-sharing as way to make the program more sustainable. As described above, **SB 2779** provides funding to expand the ADRC'S, and the Aging Omnibus Bill, **SB 2320**, requests an appropriation for Kupuna Care services.

Consolidation of oversight of residential facilities is needed since the licensing and monitoring of facilities are now divided among different programs in the Department of Human Services and Department of Health. These facilities include adult residential care homes, community care foster homes, assisted living facilities, and nursing homes. At present, there are inconsistent licensing and certification requirements and a need for more uniformity in standards and procedures for inspections across the different facilities. Concerns exist regarding the quality of care and problems with case management. Finally, consumers must also have access to relevant information when making choices

among alternative residential settings.

SB 2126 proposes consolidating the authority, responsibilities, and jurisdiction of the Department of Human Services and the Department of Health. It transfers Department of Human Services programs relating to home and community-based case management, community care foster family homes, and adult day care to the Department of Health.

Finally, the Commission recommends consolidating long-term care services and planning under a single authority to improve accountability, efficiency, and policy coordination. Currently, long-term care programs and agencies are highly fragmented with no coherence or coordination among them. The state needs to exert strong leadership in overseeing the entire long-term care population, including those not on public programs. One interim possibility is to create a Deputy Health Transformation Coordinator over Long-Term Care in the Office of Health Care Transformation.

SB 2306 would establish a taskforce to consolidate state responsibility for long-term care. As an interim, this bill proposes to create a Deputy Health Transformation Coordinator over Long-Term Care in the Office of Health Care Transformation.

References

⁸Hawai'i Long-Term Commission. Long-Term Care Reform in Hawai'i: Report of the Hawai'i Long-Term Care Commission, Final Report. January 18, 2012. Public Policy Center, University of Hawai'i at Manoa, www.publicpolicycenter.hawaii.edu/documents/HawaiiLTCCFinalReport.pdf.

⁹Katherine Bridges and Erin Pinkus. Prepared to Care? AARP Members' Opinions on Caregiving and Long-Term Care. Washington, DC: AARP Research and Strategic Analysis. 2011.

¹⁰Galina Khatutsky, Joshua Wiener, Heather Best, Joseph McMichael. Assessing Long-Term Care Policy Options in Hawai'i: Results from the Long-Term Care Survey. Hawai'i Long-Term Care Commission. Public Policy Center, University of Hawai'i at Manoa. December 2010: Figure 11, p. 16. www.publicpolicycenter.hawaii.edu/documents/RTI-Survey_Results_Report-FINAL.pdf.

Section 4 - Kupuna Caucus and Aging & Disability Issues

Review of Policies & Programs:

Kupuna Caucus and Aging & Disability Issues

This section contains several bills and resolutions included in the Kupuna Caucus “package,” as well as other measures proposed by individual legislators. The Kupuna Caucus is an informal organization of legislators, advocates, and older adults which reviews legislative needs and develops an agenda of bills and resolutions each year. The measures listed below cover a wide range of issues, which are loosely grouped under five main topics: Patients Rights and Access to Care; Grandparents Rights; Improving Programs and Services; Financial Abuse of Older Adults; and Financial Help for Employed Caregivers.

Patients Rights and Access to Care. Several bills deal with options available to Medicaid recipients, as well as all individuals covered by health or accident insurance policies. Regarding Medicaid recipients, perhaps the most important issue is providing the opportunity to those who will provide them with services in the home. Traditionally, agencies have determined what services were needed and supplied the personnel to assist clients. The national trend is to allow Medicaid clients, as well as other frail elders, to direct their own care. However, experience suggests that many older persons need various types of support services for self-directed care to be successful.

SB 2140 requires the Department of Human Services to offer Medicaid

recipients the option of completing an advance health care directive and to provide them with advance health care directive forms.

HB 2189 requires Medicaid home and community-based programs to allow persons covered by such programs to hire family members to provide certain approved in-home care services.



SB 2106 requires all individual and group accident and health insurance policies issued or renewed in the state to include outpatient prescription drug coverage for the insured and his or her dependents. It also prohibits coinsurance as a basis for cost sharing with the insured.

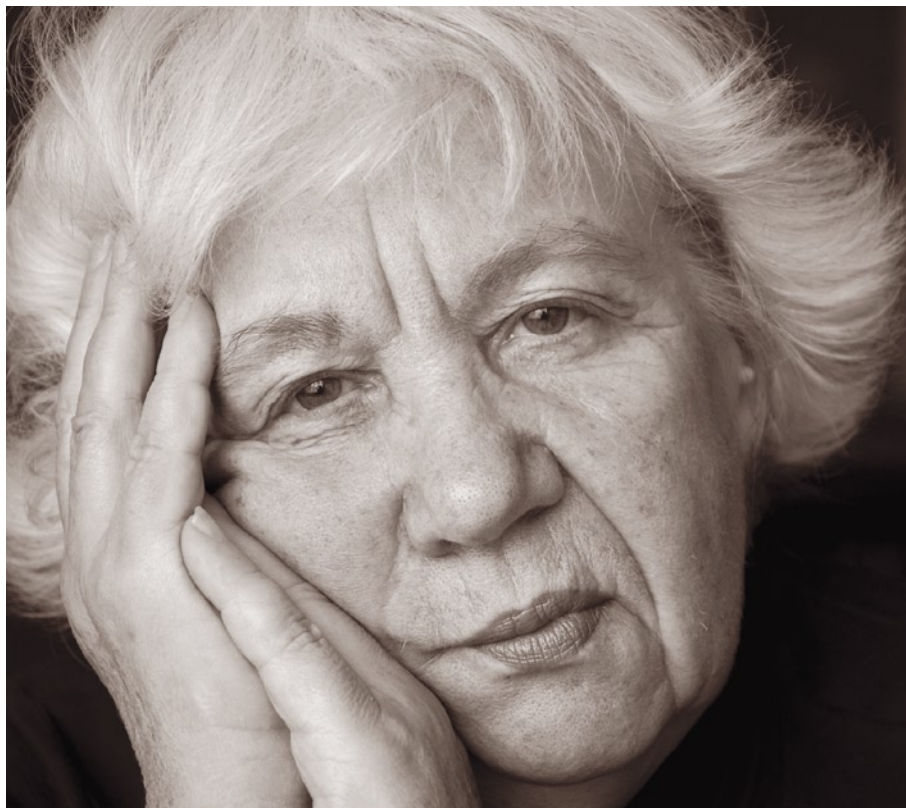
Grandparents Rights. This has been a contentious issue in Hawai‘i, as well as in other states for a number of years. It is particularly important in Hawai‘i, where there are relatively large numbers of grandparents caring for their grandchildren. In the past several years, the legislative focus has been on issues relating to school services and authorizing medical care. A current bill deals with visitation rights.

SB 2301 permits the family court to award reasonable visitation rights to grandparents if denial of visitation would cause significant harm to the child. It establishes a rebuttable presumption that visitation decisions made by the parent are in the best interests of the child. However, the bill does not answer the question of whether, or under what conditions,



the state can override a parent’s decision about grandparent visitation.

Improving Programs and Services. Included here are measures covering such subjects as better care for stroke victims; better pay for physicians to



encourage them to continue to treat Medicaid recipients; licensing of home care agencies; and assuring that public facilities meet Americans with Disabilities Act and other federal and state access requirements. It also includes a resolution which suggests that small public school campuses which are being considered for closure be made available for conversion to senior centers and other elder-related services.

HB 2665 establishes a statewide stroke system of care by designating primary stroke centers, acute stroke capable centers, and other measures designed to improve care of persons having strokes.

SB 2120 provides funds to increase payments to physicians serving aged, blind, and disabled persons in the state's QUEST Expanded Access program, as well as for other Medicaid-eligible individuals.

HB 1955 appropriates funds to cover staffing and other initial costs as-

sociated with the licensing of home care agencies.

SB 2815 requires the Disability and Communication Access Board to charge fees to defray the cost of reviewing construction plans for public facilities to assure compliance with federal and state laws on access for persons with disabilities.

HCR 14 encourages the Board of Education and the Department of Education to allow small school campuses to be used for kupuna-related programs.

Financial Abuse of Older Adults. Financial abuse and exploitation of older adults is considered one of the primary types of abuse covered under statutes related to Adult Protective Services. The three measures listed below clarify the legal status of this offense, and add more specificity to how financial crimes against elders should be reported.

SB 2314 creates the crime of financial and economic exploitation of an elder

and provides enhanced penalties for committing such a crime. It requires financial institutions to report suspected financial abuse to the appropriate police department, and requires two unrelated persons to witness an advance health care directive.

HB 2190 requires suspected financial abuse of an elder to be reported by financial institutions to appropriate police departments, and requires the Department of Human Services to inform the police or the prosecuting attorney of relevant information regarding cases of financial abuse.

HB 2192 clarifies the legal definition of "financial exploitation," and requires financial institutions to report suspected financial abuse to the appropriate federal or county law enforcement agency, rather than to the Adult Protective Services Division of the Department of Human Services.

Financial Help for Employed Caregivers. Employed family caregivers face a major challenge in balancing their employment and caregiving obligations. The following bill would reduce the financial burden often faced by caregivers.

SB 2317 creates three new tax credits for caregivers: (1) a small business caregiver leave tax credit; (2) a tax credit for the person providing care to a qualified recipient; and (3) an educational cost tax credit for caregivers taking qualified caregiver courses or programs.



Information, Education & Research Resources

Public & Nonprofit Agencies

HAWAII AGING AND DISABILITY RESOURCE CENTER

A one-stop source for information, assistance, and access to services and care for older adults, people with disabilities, and family caregivers.
 Web: www.hawaiiadrc.org
 Phone: (808) 643-2372
 TTY Line: (808) 643-0889

EXECUTIVE OFFICE ON AGING

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KAUAI AGENCY ON ELDERLY AFFAIRS

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 Lana'i: (808) 565-7114
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 Email: aging@mauicounty.gov
 Web: www.mauicounty.gov/departments/Housing/aging.htm

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Educational & Research Institutions

University of Hawaii'i at Manoa CENTER ON THE FAMILY

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