

TESTIMONY IN STRONG SUPPORT OF HB1853 HD1 SD1

Relating to Dementia, Funding request: \$3,000,000 annually

Committee: House WAYS AND MEANS COMMITTEE

Hearing: Tuesday, April 7, 2026 | 10:31 a.m.

Conference Room 211 & Videoconference

State Capitol - 415 South Beretania Street

Position: Strong Support

Submitted by: Girard "JERRY" Perone

Serious personal affects of the disease:

multiple direct family members

Kaka'ako resident

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committees:

My name is Jerry Perone, and I respectfully submit this testimony in the strongest possible support of HB1853 and the appropriation needed to establish the HĀNAI Memory Network. HB1853 is not a pilot in search of a problem. It is a system response to a problem Hawai'i can already quantify.

The first point is simple: Hawai'i should stop planning around the stale 31,200 number. That figure is from 2020. The more current planning figure in the HĀNAI materials is that there are currently about 35,100 older adults living with Alzheimer's today Hawai'i, and the Department of Health's Executive Office on Aging now uses the public message that about 35,000 Hawai'i residents are affected. Either way, the problem is materially larger today than the older talking point suggests.

The second point is that the system is growing every month whether the State acts or not. The HĀNAI briefing shows about 585 new Alzheimer's cases per month and at least 725 new dementia cases per month as a conservative floor. In practical terms, that is roughly 24 new dementia cases every day entering a system that is already fragmented, capacity-constrained, and too hard for families to navigate.

The third point is fiscal. One more month of HĀNAI delay adds about \$4.66 million in new gross burden. That burden does not fall in one place. Federal claims rise. State Medicaid pressure rises. County aging services face more demand. Families and unpaid caregivers absorb the largest share—about \$3.34 million in the first month alone, including about \$0.48 million in out-of-pocket costs and about \$2.86 million in unpaid care value. Delay is not a neutral option. Delay is a cost decision.

The fourth point is that the appropriation case is unusually strong. At the requested \$3 million annual level, HĀNAI needs to reduce Hawai'i's Medicaid Alzheimer's spending by only about 0.97% to break even on Medicaid alone. That is before counting Medicare savings, reduced emergency department use, delayed institutional placement, reduced caregiver burnout, or the economic value of keeping families functioning.

The fifth point is that the alternative is plainly worse. Medicaid spending associated with Alzheimer's in Hawai'i has already risen from \$240 million in 2020 to \$309 million in 2025. If Hawai'i does not build a coordinated dementia care system, the number of people living with Alzheimer's is projected to exceed 62,000 by 2050 and Alzheimer's-specific Medicaid costs are projected to approach \$1 billion per year. If the Committee wants a date for the true doomsday scenario, the documents already give one: 2050.

HĀNAI is the missing connector in Hawai'i's dementia strategy. It builds the statewide navigation, memory clinic access, dementia care specialist capacity, caregiver support, and coordinated referral network that turn today's fragmented pieces into one dementia-capable system.

This is the cheapest moment Hawai'i will ever have to do this. The cheapest month to start HĀNAI was last month. The second-cheapest month is now. HB1853 is not asking whether Hawai'i can afford HĀNAI. It is asking whether Hawai'i can afford one more month without it. The mathematics says no.

Please approve HB1853 HB1 SD1 and fund HĀNAI this session.

Mahalo for the opportunity to submit my testimony.

Girard "Jerry" Perone

HB1853 HD1 SD1 — Addendum: quantified case for immediate approval

Relating to Dementia • Funding request: \$3,000,000 annually

CURRENT SCALE

≈35,100 today

31,200 is a 2020 figure

NEW CASES

≥725 / month

roughly 24 per day

DELAY COST

≈\$4.66M / month

gross burden, all dementias

WAM decision point: a \$3M annual appropriation breaks even at less than 1% Medicaid impact, while one more month of delay adds about \$4.66M in gross burden.

Addendum — quantified case for immediate approval

USE CURRENT SCALE

31,200 is a 2020 figure.

Use about 35,100 now as the current planning number for HĀNAI.

DOH/EOA public message: about 35,000 Hawai'i residents are affected.

If committee staff is using a later planning count closer to 35,500, the core policy conclusion only strengthens: the stale 31,200 figure materially understates current need.

CURRENT BURDEN ALREADY VISIBLE

\$309M/year in Medicaid Alzheimer's costs (2025).

62,000 family caregivers in Hawai'i.

111M unpaid care hours/year valued at about \$2.9B.

Memory care skilled nursing can exceed \$15,000/month (\$180,000/year).

1) Current number today

Word equation: people age 65+ in Hawai'i × Alzheimer's rate = current number today

Number equation: about 311,000 × 11.3% = about 35,100

2) New cases each month

Word equation: new cases per year ÷ 12 = new cases per month

Number equation: 7,017 ÷ 12 = about 585 and 8,706 ÷ 12 = about 725

Working hearing line: roughly 750 new dementia cases per month, with ≥725 as the conservative diagnosed floor in the HĀNAI briefing.

3) One month of delay cost

Word equation: new cases this month × extra cost per new case = added burden for one month of delay

Number equation: 585 × \$6,425 = \$3.76M and 725 × \$6,425 = \$4.66M

These are conservative gross-burden estimates, not guaranteed savings estimates.

4) Break-even on Medicaid alone

Word equation: program cost ÷ baseline Medicaid Alzheimer's cost = break-even reduction needed

Number equation: \$3,000,000 ÷ \$309,000,000 ≈ 0.97%

This is why the appropriation case is unusually strong for WAM.

5) One year of delay (same linear method)

Word equation: monthly added burden × 12 = one-year added burden

Number equation: \$4.66M × 12 = \$55.92M

6) Daily equivalent (simple monthly average)

Word equation: monthly added burden ÷ 30 ≈ daily equivalent

Number equation: \$4.66M ÷ 30 ≈ \$155,000 per day

Delay-cost snapshots (all dementias, conservative floor)

Delay	Added gross burden	Family + unpaid caregiver share	Share carried by families
1 month	\$4.66M	\$3.34M	about 72%
3 months	\$13.98M	\$10.02M	about 72%
6 months	\$27.96M	\$20.04M	about 72%
12 months*	\$55.92M	\$40.08M	about 72%

*12-month figure is a simple linear extension of the same monthly method used in the HĀNAI briefing.

Illustrative Medicaid-only ROI scenarios

Scenario	Annual savings	Net benefit after \$3M cost	ROI	Benefit-cost ratio
Break-even threshold	\$3.00M	~\$0.00M	0%	1.00x
1.0% Medicaid reduction	\$3.09M	\$0.09M	3%	1.03x
2.0% Medicaid reduction	\$6.18M	\$3.18M	106%	2.06x
5.0% Medicaid reduction	\$15.45M	\$12.45M	415%	5.15x

Important note: these are scenario calculations using the formulas in the executive financial analysis. They are conservative, Medicaid-only illustrations and exclude Medicare, county, household, and quality-of-life gains.

Responsible 'doomsday' framing for the record:

If the Committee wants a date attached to the unsustainable scenario, the documents point to 2050: more than 62,000 Hawai'i residents projected to be living with Alzheimer's and nearly \$1 billion per year in Alzheimer's-specific Medicaid costs if the State does not bend the cost curve.

Approving HĀNAI now is the fiscally prudent alternative to that trajectory.

Exhibits for the committee file

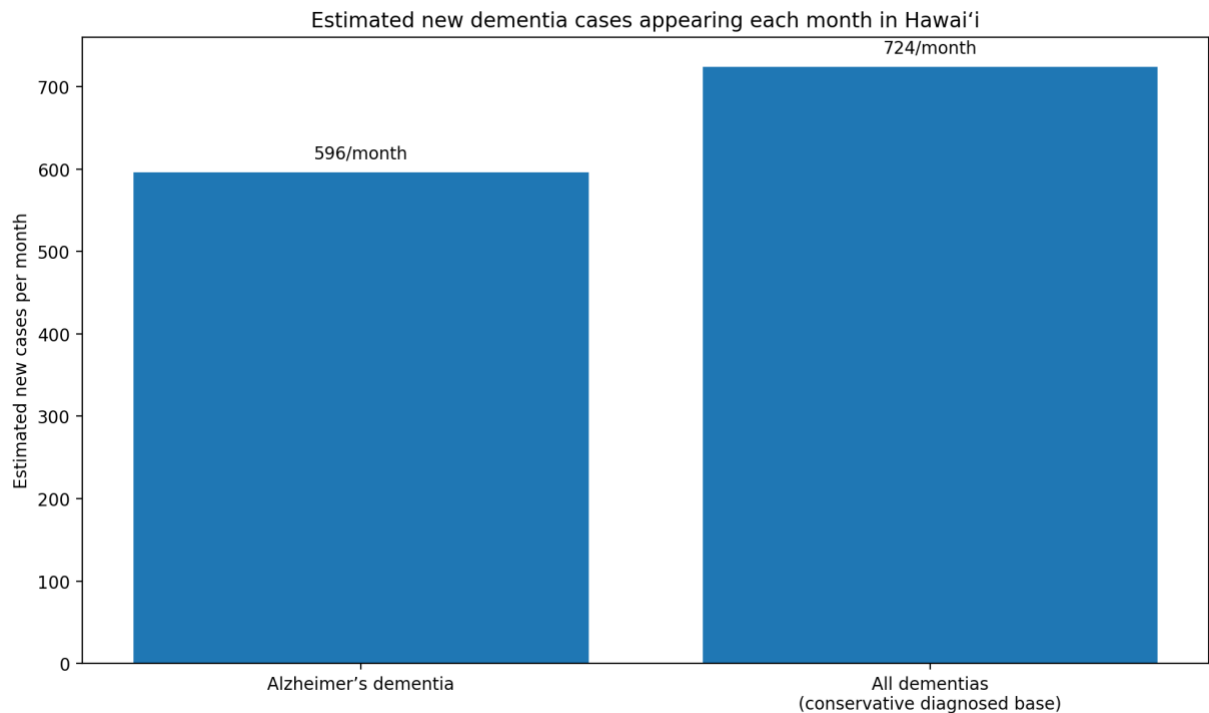


Exhibit A. Estimated new dementia cases appearing each month in Hawai'i. The all-dementia bar uses the conservative diagnosed floor from the HĀNAI briefing.

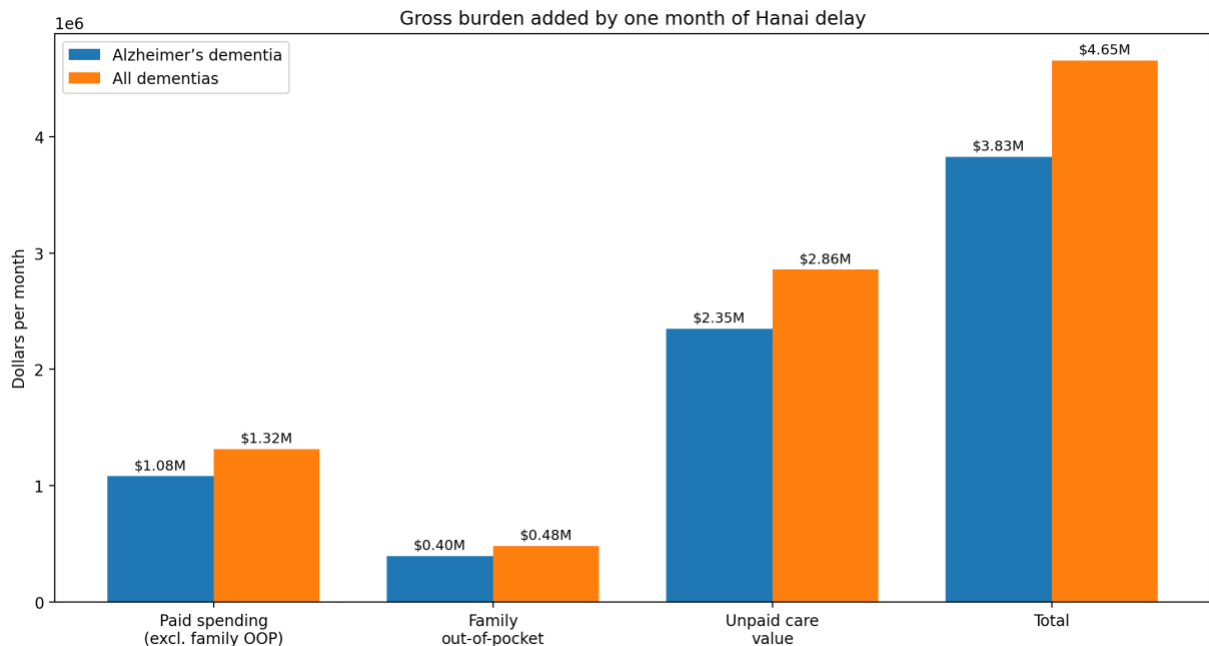


Exhibit B. Gross burden added by one month of HĀNAI delay. Burden is shown as paid system spending, family out-of-pocket spending, unpaid care value, and total.

Selected source note

- Hawai'i Department of Health / Executive Office on Aging news release (June 30, 2025): public message that about 35,000 Hawai'i residents are affected.

