H.B. NO. 468

A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1 SECTION 1. The purpose of this Act is to provide medicaid 2 coverage for those with limited incomes without requiring them 3 to become impoverished. Presently, a medically needy recipient 4 who earns \$1 more than the income eligibility level for medicaid 5 coverage must spend down that income not to the income 6 eligibility level, but to the lower standard of assistance. The 7 purpose of this Act is to modify this unfair practice and only 8 require a medically needy recipient to spend down the person's 9 income to the income eligibility level.

10 SECTION 2. Section 346-14, Hawaii Revised Statutes, is 11 amended to read as follows:

12 "\$346-14 Duties generally. Except as otherwise provided13 by law, the department of human services shall:

- 14 (1) Establish and administer programs and standards, and
 15 adopt rules as deemed necessary, for all public
 16 assistance programs;
- 17 (2) Establish, extend, and strengthen services for the
 18 protection and care of abused or neglected children
 HB LRB 07-0549.doc



Page 2

H.B. NO. 468

1 and children in danger of becoming delinguent to make 2 paramount the safety and health of children who have been harmed or are in life circumstances that threaten 3 4 harm; Establish and administer programs, and adopt rules as 5 (3) deemed necessary, for the prevention of domestic and 6 7 sexual violence and the protection and treatment of victims of domestic and sexual violence; 8 9 (4) Assist in preventing family breakdown; Place, or cooperate in placing, abused or neglected 10 (5)11 children in suitable private homes or institutions and 12 place, or cooperate in placing, children in suitable 13 adoptive homes; 14 (6) Have authority to establish, maintain, and operate 15 receiving homes for the temporary care and custody of 16 abused or neglected children until suitable plans are 17 made for their care; and accept from the police and other agencies, for temporary care and custody, any 18 abused or neglected child until satisfactory plans are 19 20 made for the child;

21 (7) Administer the medical assistance programs for
22 eligible public welfare and other medically needy



1 individuals by establishing standards, eligibility, 2 and health care participation rules, payment 3 methodologies, reimbursement allowances, systems to monitor recipient and provider compliance, and 4 assuring compliance with federal requirements to 5 maximize federal financial participation; 6 7 (8) Cooperate with the federal government in carrying out 8 the purposes of the Social Security Act and in other 9 matters of mutual concern pertaining to public welfare, public assistance, and child welfare 10 11 services, including the making of reports, the adoption of methods of administration, and the making 12 of rules as are found by the federal government, or 13 any properly constituted authority thereunder, to be 14 necessary or desirable for the efficient operation of 15 the plans for public welfare, assistance, and child 16 welfare services or as may be necessary or desirable 17 18 for the receipt of financial assistance from the federal government; 19

20 (9) Carry on research and compile statistics relative to
21 public and private welfare activities throughout the



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1		State, including those dealing with dependence,
2		defectiveness, delinquency, and related problems;
3	(10)	Develop plans in cooperation with other public and
4		private agencies for the prevention and treatment of
5		conditions giving rise to public welfare problems;
6	(11)	Adopt rules governing the procedure in hearings,
7		investigations, recording, registration, determination
8		of allowances, and accounting and conduct other
9		activities as may be necessary or proper to carry out
10		this chapter;
11	(12)	Supervise or administer any other activities
12		authorized or required by this chapter, including the
13		development of the staff of the department through in-
14		service training and educational leave to attend
15		schools and other appropriate measures, and any other
16		activities placed under the jurisdiction of the
17		department by any other law;
18	(13)	Make, prescribe, and enforce policies and rules
19		governing the activities provided for in section 346-
20		31 it deems advisable, including the allocation of
21		moneys available for assistance to persons assigned to
22		work projects among the several counties or to



1 particular projects where the apportionment has not 2 been made pursuant to other provisions of law, if any, 3 governing expenditures of the funds; 4 Determine the appropriate level for the Hawaii (14)5 security net, by developing a tracking and monitoring system to determine what segments of the population 6 7 are not able to afford the basic necessities of life, 8 and advise the legislature annually regarding the 9 resources required to maintain the security net at the 10 appropriate level; 11 (15)Subject to the appropriation of state funds and 12 availability of federal matching assistance, expand 13 optional health care to low-income persons as follows: 14 Pregnant women and infants under one year of age (A) 15 living in families with incomes up to one hundred eighty-five per cent of the federal poverty level 16 17 and without any asset restrictions; 18 Children under six years of age living in (B) 19 families with incomes up to one hundred thirty-20 three per cent of the federal poverty level and 21 without any asset restrictions;



Page 5

1		(C) Older children to the extent permitted under
2		optional federal medicaid rules;
3		(D) Elder persons;
4		(E) Aliens;
5		(F) The homeless; and
6		(G) Other handicapped and medically needy persons;
7		and
8	(16)	Subject to the appropriation of state funds and
9		availability of federal matching assistance, establish
10		the income eligibility level for the medically needy
11		program at one hundred thirty-three per cent of the
12		assistance allowance. In determining eligibility
13		under this section, the department shall disregard an
14		amount of income equal to the difference between one
15		hundred thirty-three per cent of the assistance
16		allowance and one hundred per cent of the federal
17		poverty level, as adjusted annually by the federal
18		government, for the size of the family applying for
19		assistance."
20	SECT	ION 3. There is appropriated out of the general
21	revenues	of the State of Hawaii the sum of \$, or so much
22	thereof a	s may be necessary for fiscal year 2007-2008, and the
	HB LRB 07	-0549.doc 6

same sum, or so much thereof as may be necessary for fiscal year
 2008-2009, for the medically needy program.

3 The sums appropriated shall be expended by the department4 of human services for the purposes of this Act.

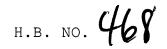
5 SECTION 4. New statutory material is underscored.

6 SECTION 5. This Act shall take effect on July 1, 2007.

INTRODUCED BY: w lwann <u>(</u>) () ily B. Lee JAN **1 9** 2007



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Report Title:

Medicaid; Cost Share Program

Description:

Requires the medically needy program to disregard an amount of income in determining eligibility for the program.

