

Honolulu, Hawaii

Feb 2, 2007

RE: H.B. No. 100

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 100 entitled:

"A BILL FOR AN ACT RELATING TO HUMAN SERVICES,"

begs leave to report as follows:

The purpose of this bill is to provide an incentive for families to accumulate wealth and move off of medical assistance programs by requiring the Department of Human Services (DHS) to disregard the assets of households with minor dependents when determining eligibility for medical assistance.

3Point, Hawaii Alliance for Community Based Economic Development, National Association of Social Workers, Hawaii, and a concerned individual supported this bill. DHS offered comments.

Your Committee notes that asset tests represent a financial disincentive for families to accumulate savings, savings which are essential for families to break the cycle of intergenerational poverty and dependence. Your Committee's intent in passing this measure is not to increase the asset limits, but to remove them. Removing the asset test will provide an incentive for families currently receiving medical assistance to accumulate sufficient assets and wealth to move themselves off of such medical assistance programs on their own. Removing the asset test may even result in long-term net savings to the State, as the administrative costs in implementing the asset tests are eliminated and more families move off of medical assistance.



Your Committee also recognizes that additional information and data from DHS will prove useful in assessing the impact of this measure. Therefore, your Committee requests that DHS provide estimated costs/savings of this measure, alternative asset test ceiling amounts, and data from other states.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 100 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Housing,



MAILE SHIMABUKURO, Chair



