



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 31, 2008

LATE

MEMORANDUM

TO: The Honorable Suzanne Chun Oakland, Chair
Committee on Human Services and Public Housing

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 2234 - RELATING TO HUMAN SERVICES**

Hearing: Thursday, January 31, 2008; 1:30 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of S.B. 2234 is to require the Department of Human Services (DHS) to disregard specified assets for purposes of determining eligibility for certain public assistance benefits.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) does not support this bill, as written, as it would adversely impact the priorities set forth in the Executive Supplemental Budget.

DHS currently disregards a majority of the items identified in the bill but, because many of our programs are Federally funded, the Federal government limits what may be disregarded. If we do not abide by these Federal regulations, we would be required to use State funds for these programs. This would greatly increase State expenditures, particularly for the food stamp and medical assistance programs which currently use exclusively (food stamps) or predominantly (medical assistance) Federal funds.

This bill would also substantially increase the Medicaid budget, which for FY 2009 is \$1.2 billion. The State is currently applying the available options to exempt all assets for children and pregnant women whose income do not exceed 185% of the federal poverty level (FPL). If S.B. 2334 is passed and the Department is required to remove the asset test for all recipients without Federal approval, the Federal funding for approximately 92,189 adults (45% of the total 204,303 recipients) will be affected. The State will have to provide approximately \$305,100,000 in additional State general funds to replace the Federal funds.

Additional State general funds will also be needed to cover individuals who currently have assets that exceed the Medicaid asset limits and who would now, with this bill, become eligible for Medicaid coverage. The cost of providing coverage for these individuals may impact the budget neutrality requirements to maintain our Medicaid QUEST program.

Thank you for the opportunity to provide comments on this bill.

THE SENATE
TWENTY-FOURTH LEGISLATURE 2008
STATE OF HAWAII

LATE

TO: THE COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
FROM: PAUL TOMIYASU, Deaf Individual
DATE: 1/31/08

REGARDING: **SB BILL 2234**, REQUIRES THE DEPARTMENT OF HUMAN SERVICES TO DISREGARD SPECIFIED ASSETS FOR THE PURPOSE OF DETERMINING ELIGIBILITY FOR CERTAIN PUBLIC ASSISTANCE BENEFITS.

I am in favor of this measure. I think people who seek help, for food, medical or financial assistance who needs a temporary lift up should be helped. You talked about transitional shelters at Tuesday's meeting for the homeless, and I think that these problems exist because of cases where determination is done by "what you currently have that can be sold in order to raise capitol to take care of a temporary" (we hope) situation. Or, to get a determination from the Department of Human Services in order to get assistance. I am sure that many of these families need a temporary help to get back on their feet and keep them from ending up in our homeless population.

Thank you,

LATE

George J. Zweibel, Esq.
President, Board of Directors

Charles K. Greenfield, Esq.
Executive Director

TESTIMONY IN SUPPORT OF THE INTENT OF SB2234
RELATING TO HUMAN SERVICES

January 31, 2008 at 1:30 p.m.

The Legal Aid Society of Hawaii hereby provides testimony to the Committee on Human Services and Public Housing on SB2234 - Relating to Human Services, in support of the intent of the bill.

Founded in 1950, the Legal Aid Society of Hawaii is the oldest provider of legal services in the state. We provided civil legal assistance to those in need through nine offices located in Lihue, Waianae, Honolulu, Kaneohe, Kaunakakai, Lanai City, Wailuku, Kona and Hilo. Over the years we have provided leadership around public benefits issues and on an annual basis update our public benefits manual and provide a two day training on public benefits. We have seen the benefit of linking community based economic development and asset building to legal services as critical to assisting our clients out of poverty and one of the means to do so is the exemption of assets in considering eligibility for public assistance programs.

While we support the intent of this bill and recognize that current administrative rules do not provide the exemption of assets like individual retirement accounts and that the current provisions should be broadened, we are concerned about the impact this bill will have on the current administrative rules which exempt a number of specific assets broader than provided for in this statute. Hawai'i Administrative Rules §17-675-25 through §17-675-30 lists over twenty-four exempted assets for both financial assistance and food stamp programs as well as specific assets for each program. In addition, Hawai'i Administrative Rules §17-1725-9 and §17-675-10, list over thirty-four exempted assets for medical benefit eligibility.

As such we would recommend that the Senate Committee on Human Services and Public Housing request of the Department of Human Services an analysis of the current exempted assets in comparison to the assets proposed to be exempt under this bill to ensure adequate coverage of currently exempted assets and provide such language.

For these reasons, we support SB2234. Thank you for this opportunity to testify.

Sincerely,

M. Nalani Fujimori
Deputy Director
527-8014