

JAN 21 2011

S.B. NO. 126

---

---

# A BILL FOR AN ACT

RELATING TO PERSONS WITH DISABILITIES.

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

1           SECTION 1. The legislature finds that working-age adults  
2 with disabilities need adequate health insurance, but their  
3 options for insurance coverage are limited, even with the  
4 federal Affordable Care Act. Many who have part-time jobs may  
5 not be covered through their employer prepaid health care  
6 insurance or employer-sponsored health insurance, which forces  
7 them to turn to government-sponsored programs, such as medicaid.  
8 However, those who earn more than the allowable amount will be  
9 ineligible for medicaid coverage, especially those who receive  
10 unearned income who have not paid into private or public  
11 disability insurance programs such as social security disability  
12 insurance.

13           The medicaid buy-in programs, enabled by the federal  
14 Balanced Budget Act of 1997 and the federal Ticket to Work and  
15 Work Incentives Improvement Act of 1999, allow working adults  
16 with disabilities, who do not have employer prepaid or employer-  
17 sponsored health care coverage or who earn more than the  
18 allowable ceiling, to obtain medicaid coverage. The medicaid



1 buy-in programs also help persons who need secondary coverage  
2 through medicaid, including persons with medicare. In return,  
3 recipients "buy into" the medicaid program, typically by paying  
4 premiums based on income. As of December 31, 2008, forty-two  
5 states were operating a medicaid buy-in program to extend  
6 medicaid coverage to working people with disabilities, with  
7 total nationwide enrollment of more than ninety thousand  
8 persons.

9 The purpose of this Act is to:

- 10 (1) Establish a medicaid buy-in program for working people  
11 with disabilities; and
- 12 (2) Allow the president of the senate and the speaker of  
13 the house of representatives to establish from time to  
14 time, a medicaid shortfall joint legislative task  
15 force to examine issues relating to medicaid  
16 shortfalls, including the medicaid buy-in program for  
17 working people with disabilities.

18 SECTION 2. Chapter 346, Hawaii Revised Statutes, is  
19 amended by adding a new section to be appropriately designated  
20 and to read as follows:

21 "§346- Program to provide medical assistance to certain  
22 persons who are employed and have a disability. (a) There is



1 established within the department a medicaid buy-in program for  
2 working people with disabilities. The purpose of the medicaid  
3 buy-in program for working people with disabilities is to  
4 furnish health care services to certain persons who are employed  
5 and have disabilities.

6 (b) To qualify for the medicaid buy-in program for working  
7 people with disabilities, the recipient shall be required to:

8 (1) Be a resident of the State;

9 (2) Be at least sixteen years of age;

10 (3) Have a disability as defined by the Social Security  
11 Administration; provided that the income and resource  
12 requirements of the program are met;

13 (4) Be engaged in paid work, including part-time and  
14 full-time work;

15 (5) Have a gross income that does not exceed four hundred  
16 per cent of the federal poverty level for an  
17 individual or a couple using the Social Security

18 Administration's counting method and as determined by  
19 the department pursuant to administrative rules; and

20 (6) Have non-exempt resources that do not exceed \$20,000  
21 for an individual or \$40,000 for a couple.



1        (c) The department shall establish the medicaid buy-in  
2 program for working people with disabilities by:

3        (1) Amending the state plan in the manner set forth in  
4 Title 42 United States Code Section 1396a

5        (a) (10) (A) (ii) (XIII) or Title 42 United States Code  
6 Section 1396a (a) (10) (A) (ii) (XV); and

7        (2) Amending the section 1115 medicaid waiver for the  
8 QUEST expanded access managed care program from the  
9 federal government to carry out the medicaid buy-in  
10 program for working people with disabilities.

11        (d) The department may require a recipient participating  
12 in the medicaid buy-in program for working people with  
13 disabilities to pay a premium or other cost-sharing charges in a  
14 manner that is consistent with federal law.

15        (e) For purposes of this section, "medicaid buy-in" refers  
16 to an offer of health care services coverage to persons with  
17 disabilities who are working and earning more than the allowable  
18 limits under regular medicaid, for the purpose of providing an  
19 opportunity to have health care coverage through medicaid.

20        (f) The department shall adopt rules pursuant to chapter  
21 91 necessary for purposes of this section."



1 SECTION 3. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4 "CHAPTER

5 JOINT LEGISLATIVE TASK FORCE ON MEDICAID

6 § -1 Joint legislative task force on medicaid; authority  
7 to establish. The president of the senate and the speaker of  
8 the house of representatives may, from time to time, establish a  
9 medicaid shortfall joint legislative task force to examine  
10 issues relating to medicaid shortfalls, including the medicaid  
11 buy-in program for working people with disabilities. The chairs  
12 of the committee on human services of the respective houses of  
13 the legislature shall co-chair the task force. Legislative  
14 members of the committee on human services of the respective  
15 houses of the legislature shall be members of the task force.  
16 The task force may conduct meetings, briefings, and hearings, as  
17 appropriate, and recommend legislation pursuant thereto."

18 SECTION 4. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$3,100,000 or so much  
20 thereof as may be necessary for fiscal year 2011-2012 and the  
21 same sum or so much thereof as may be necessary for fiscal year  
22 2012-2013 for the employment training and placement program as



1 the state's share of funding to be matched by federal funds  
2 received pursuant to medicaid buy-in; provided that \$500,000 per  
3 annum shall be provided by the University of Hawaii for  
4 administration and setup under the direction of the department  
5 of human services.

6 The sums appropriated shall be expended by the department  
7 of human services for the purposes of this Act.

8 SECTION 5. New statutory material is underscored.

9 SECTION 6. This Act shall take effect upon its approval;  
10 provided that section 4 shall take effect on July 1, 2011.

11

INTRODUCED BY: Shizanne Chun Okamoto

John M...

Yue Shau J...

Carol Fukumaga



**Report Title:**

Medicaid; Persons with Disabilities; Appropriation

**Description:**

Establishes a medicaid buy-in program for working people with disabilities. Allows the formation of a medicaid shortfall joint legislative task force to examine issues relating to medicaid shortfalls. Makes matching fund appropriation for employment training and placement.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

