

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 18, 2014

TO: The Honorable Mele Carroll Chair
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2525, S.D.2 - RELATING TO PERSONS WITH DISABILITIES**

Hearing: Tuesday, March 18, 2014; 9:45 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to establish and appropriate funds for a Medicaid Buy-In program for workers with disabilities.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure and strongly supports eliminating barriers for individuals with disabilities to gain employment.

The DHS has actively participated in the Medicaid Buy-in Task Force and has in good faith provided technical assistance and support to the efforts of the group seeking to implement a Medicaid buy-in program. The DHS provided input and the Task Force has reached consensus on language in this measure to establish a Medicaid buy-in program. The DHS would not need an appropriation for SFY 2014-2015, but additional funding would be necessary annually beginning with the 2017-2018 fiscal year.

The DHS estimates that a buy-in program would cost \$3.4 million a year, of which approximately half would be federally funded. The general fund cost of \$1.7 million should be used for purposes of comparing alternatives. The DHS estimates that 60% of Medicaid buy-in program participants will be current Medicaid beneficiaries who may choose to become employed if they are able to participate in a buy-in program. Since funding for these current Medicaid beneficiaries is already included in the Med-QUEST Division budget, an additional appropriation of \$700,000 general funds would be needed annually for the buy-in program.

The main goal of the proposed Medicaid buy-in program is to allow individuals with disabilities to gain employment with increased income and assets, and have Medicaid coverage. Only Medicaid covers home and community-based services and specialized behavioral health services. A Medicaid buy-in program would meet the goal of allowing workers with disabilities to have greater earnings while continuing to have access to these important services. The DHS believes that the S.D.2 is a good bill for establishing a Medicaid buy-in program.

In a buy-in program, Medicaid would provide coverage for all medical costs including hospitalization, procedures, and medications-in addition to home and community-based services and specialized behavioral health services-for individuals who could also or would otherwise have Medicare or insurance through a health insurance exchange.

The DHS has been consistent in its position that there are other options that can be considered to expand access to home and community-based services and specialized behavioral health services for workers with disabilities that may reduce general fund requirements, increase federal funding, and be able to be implemented more quickly. These include affordable health insurance available through the federal Affordable Care Act, and services through the Department of Health's Adult Mental Health Division and the Executive Office on Aging's

Aging and Disability Resource Centers, and the County Area Agencies on Aging, provided the State programs were adequately funded.

The DHS has an additional comment on Section 5 of this bill that would appropriate funding to the University of Hawaii Center on Disability Studies to prepare and conduct outreach and training for fiscal year 2014-2015. With the implementation for the program to be no later than July 1, 2017 it is unclear if this funding is necessary.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

House Committee on Human Services
SB 2525, SD2 Relating to Persons with Disabilities
Testimony of Linda Rosen, M.D., M.P.H.
Director of Health
Tuesday, March 18, 2014, 9:45 a.m., Room 329

1 **Department's Position:** The Department of Health (DOH) supports this measure to develop a
2 Medicaid Buy-in program for persons with disabilities provided that its passage does not detract from or
3 adversely impact the priorities indicated in the Administration's proposals.

4 **Fiscal Implications:** The fiscal implications to the DOH are lowered costs for Home and Community
5 Based Services for persons already receiving services within the developmental disabilities program as
6 persons are able to be employed and less dependent upon day services. The DOH Developmental
7 Disabilities Division (DDD) may experience some increase in eligible participants in this same program
8 as the income limit is raised. The DOH defers to the Department of Human Services on the total costs
9 of the bill. The DOH DDD can provide a small pilot program with an annual cost of \$100,000.00. The
10 DDD operates an existing Long-Term Adult Supports and Resources (LASR) program for adults that are
11 not eligible for Medicaid Home and Community Based Waiver Services by providing community based
12 supports, but does not include medical insurance. The DDD will improve employment outcomes for
13 persons with developmental disabilities for five to ten persons in this pilot project.

14 The Adult Mental Health Division (AMHD) will coordinate with key stakeholders and partners
15 within DOH and DHS and estimates it can study, plan, project and begin preliminary implementation of

1 a pilot program for a projected cost of \$200,000.00 annually. Implementing this program may have
2 implications on the numbers of individuals who meet AMHD clinical eligibility criteria, the number of
3 persons who require supplemental services, and other, currently unforeseen fiscal implications, hence
4 the need to study, project, and plan for implementation within the AMHD.

5 **Purpose and Justification:** Employment is a key determinant of self-determination and quality of life
6 for persons with developmental disabilities and a priority goal for the DOH. This measure will increase
7 opportunity for persons being served by the DDD to sustain employment without losing their other
8 supports in the Medicaid Home and Community Based Services program.

9 If extended to the AMHD, this program may provide an opportunity to expand services, to
10 increase support to individuals with mental health challenges entering the workforce and to potentially
11 provide supplemental supports to individuals who cannot currently access these. These are consistent
12 with the AMHD organizational goals of supporting increased employment opportunities for individuals
13 with mental health challenges and more generally, enhancing safety net services to our citizens.

14 Thank you for the opportunity to testify on this measure.



HAWAII DISABILITY RIGHTS CENTER

1132 Bishop Street, Suite 2102, Honolulu, Hawaii 96813

Phone/TTY: (808) 949-2922 Toll Free: 1-800-882-1057 Fax: (808) 949-2928

E-mail: info@hawaiidisabilityrights.org Website: www.hawaiidisabilityrights.org

THE HOUSE OF REPRESENTATIVES THE TWENTY-SEVENTH LEGISLATURE REGULAR SESSION OF 2014

Committee on Human Services Testimony in of Support of S.B. 2525, SD2 Relating to Persons With Disabilities

**Tuesday, March 18, 2014, 9:45 A.M.
Conference Room 329**

Chair Carroll and Members of the Committee:

The Hawaii Disability Rights Center testifies in support of this bill. While much progress has been made in the past few decades to promote the rights of individuals with disabilities, one area that has lagged behind has been the competitive, integrated employment of individuals with disabilities. While there are many factors accounting for this, one clear barrier is the loss or fear of loss of Medicaid benefits, be it the health care coverage or the home and community waiver benefits which accompany the receipt of Medicaid.

For that reason, the Medicaid Buy In Program has long appeared to be a viable option and one we very much support. This would encourage individuals with disabilities to seek gainful employment and enjoy more fulfilling, productive lives. It would also ensure that they would maintain the services that they need to successfully live in the community. We served as a member of the Medicaid Buy In Task Force that has been convened in the interim since the last legislative session. We are in general support of the efforts of the Task Force and the most recent draft that was agreed upon at the last meeting.

We would however like to state that we do feel that the current Senate Draft One Version does not go sufficiently far with enough speed to accomplish what is needed. There is a delayed implementation date of three years and we feel that is much too long a period of time to be meaningful. Further, there is an appropriation to conduct outreach and training for the program. Frankly, we do not consider this to be the best use of state funds. We are of the view that that money should be appropriated to actually provide the services sooner in the most cost effective, efficient way. Delaying the program for three years and spending money on outreach and training seems to



miss the more essential reasons for creating this program in the first place. Nonetheless, we do continue to support the efforts of the Task Force and recognize that further discussions will occur during the legislative session, such that the bill will likely be refined as the process moves along .

Thank you for the opportunity to testify in support of this measure.



Tuesday – March 18, 2014 – 9:45am
Conference Room 329

The House Committee on Human Services

To: Representative Mele Carroll, Chair
Representative Bertrand Kobayashi, Vice Chair

From: George Greene
President & CEO
Healthcare Association of Hawaii

Re: **Testimony in Support**
SB 2525, SD 2 — Relating to Persons with Disabilities

The Healthcare Association of Hawaii (HAH) is a 116-member organization that includes all of the acute care hospitals in Hawaii, the majority of long term care facilities, all the Medicare-certified home health agencies, all hospice programs, as well as other healthcare organizations including durable medical equipment, air and ground ambulance, blood bank and respiratory therapy. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing nearly 20,000 people statewide.

Thank you for the opportunity to testify in support of SB 2525, SD 2, which would establish a Medicaid buy-in program for workers with disabilities. The purpose of the Medicaid buy-in program for workers with disabilities is to support and encourage the employment of disabled individuals—and to promote all of the concomitant benefits to the state of having all of its citizens engaged in meaningful and gainful employment—by expanding their access to Medicaid.

SB 2525, SD 2, would support the employment of individuals with disabilities by improving their access to quality healthcare, allowing them to seek gainful employment without the worry of losing healthcare coverage.

Thank you for the opportunity to testify in support of SB 2525, SD 2.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 18, 2014

The Honorable Mele Carroll, Chair
House Committee on Human Services
Twenty-Seventh Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Carroll and Members of the Committee:

SUBJECT: SB 2525 SD2 – RELATING TO PERSONS WITH DISABILITIES

The State Council on Developmental Disabilities **SUPPORTS SB 2525 SD2**. This bill establishes and appropriates funds for implementing a Medicaid buy-in program for individuals with disabilities who are working to maintain their health care services. A Medicaid buy-in program would protect workers with disabilities from losing their medical benefits and supports.

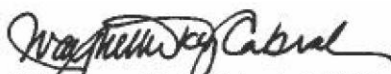
Act 200, Session Laws of Hawaii 2012, established a joint legislative Task Force to assist in exploring the development and possible implementation of a Medicaid buy-in program for working individuals with disabilities based on Hawaii's current Medicaid income and asset limits subject to approval of the Federal Centers for Medicare and Medicaid Services. The Council is a member of the Task Force and has been engaged in discussions on implementing a Medicaid buy-in program for individuals with disabilities.


SB 2525 SD2 is recognized as a work in progress and represents the input from the Task Force. The intent of the bill would encourage all State agencies working with citizens to identify and remove barriers to employment for persons with disabilities and to encourage individuals with disabilities to gain employment. It would also provide outreach and training about the Medicaid buy-in program.

We support initiatives such as the Medicaid buy-in program that provides opportunity for individuals with disabilities to work and maintain their health care benefits. We appreciate the Legislature's involvement with the Task Force and look forward to our continued work with the Task Force as this bill moves forward.

Thank you for the opportunity to submit testimony in **support of SB 2525 SD2**.

Sincerely,


Waynette K.Y. Cabral, MSW
Executive Administrator


J. Curtis Tyler, III
Chair

Community Alliance for Mental Health

March, 18, 2014

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To: House Committee on Human Services
Re: SB 2525, SD2

To: Chair Carroll, and the members of the committee,

Aloha,

On behalf of the Community Alliance for Mental Health along with United Self Help we strongly support the passage of SB 2525, SD2.

We believe that the passage of SB 2525, SD2, is an essential element in our health care transformation, our homeless problem, and will prove to be the home for our future paraprofessional medical workforce development.

All of the potential peer to peer programs that are to be based in the new Health Homes in the impending Medicaid State Plan Amendment require the Medicaid Buy In for it to be medically safe for them to begin the transition from disability back into the workforce.

This is one time when the expenditure of state funds will actually turn a profit. First we are already paying the Medicaid bill for all of these people, once they begin work they start dropping off the dole and returning to the status of tax paying citizens.

The sole purpose of the Medicaid Buy In is to make both physically safe as well as emotionally safe, for them to take the chance to make the leap of faith that is required for someone to risk leaving the security of disability to return to the pride of work.

Scott Wall
VP/Legislative Advocate
Community Alliance for Mental Health



a program of



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State of Hawaii
House Committee on Human Services
The Honorable Representative Mele Carroll, Chair
The Honorable Representative Bertrand Kobayashi, Vice Chair
Hawaii State Legislature

Mach 18, 2014; 9:45 am
Room 329

SB 2525, SD2, Relating to Persons with Disabilities

Good morning, Chair Carroll, Vice Chair Kobayashi, and Members of the Human Services Committee,

Lanakila Pacific **supports** establishing a Medicaid Buy-In Program to encourage individuals with disabilities to gain employment.

Founded in 1939, Lanakila Pacific is a Hawaii-based non-profit organization. Our programs and social enterprises currently serve over 2,300 Oahu and Kauai residents annually, with services that build independence and self-sufficiency, which in turn supports our greater community. Our programs include employment training and job placement assistance for people with disabilities.

Unfortunately, despite the progress, much more needs to be done to promote employment of people with disabilities. According to the U.S. Bureau of Labor Statistics, in 2012, only 17.8% of people with disabilities were employed compared to 63.9% of those without disabilities. The unemployment rate of people with disabilities was 13.4% in 2012, nearly twice the rate for those with no disability, at 7.9%.

Many people with disabilities want to work but worry that doing so could jeopardize their vital health coverage. The Medicaid buy-in program would provide people with disabilities who are interested in working the opportunity to get or keep health coverage while on the job.

This not only benefits the individual's self-esteem, it also contributes to their self-sufficiency and independence. More people with disabilities working means more consumers to put money back into the economy, more contributing taxpayers, and better use of state resources.

Thank you for the opportunity to provide testimony in support of this measure.

Respectfully submitted,

Marian E. Tsuji
President & CEO

Mary Beth Lum
Workforce Resources Manager



HPCCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Human Services

The Hon. Mele Carroll, Chair

The Hon. Bertrand Kobayashi, Vice Chair

Testimony in Support of SB 2525, SD2

Relating to Persons with Disabilities

Submitted by Robert Hirokawa, Chief Executive Officer

March 18, 2014, 9:45 am, Room 329

The Hawaii Primary Care Association (HPCCA), which represents the federally qualified community health centers in Hawaii, supports Senate Bill 2525, SD2, which seeks to establish and appropriate funds for a state Medicaid buy-in program. The HPCCA is a strong supporter of this program, as it enables individuals with disabilities to become or further pursue employment opportunities while at the same time ensuring those individuals retain full access to needed benefits.

Thank you for the opportunity to testify.

kobayashi1-Joni

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 12, 2014 8:54 PM
To: HUS testimony
Cc: Awai76@aol.com
Subject: Submitted testimony for SB2525 on Mar 18, 2014 09:45AM

SB2525

Submitted on: 3/12/2014

Testimony for HUS on Mar 18, 2014 09:45AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Ellen Awai	Individual	Support	No

Comments: Please support SB2525 SD2. I continue to strongly support this bill. This bill is so important to assist someone with disabilities to decide to choose employment and possibly seek financial independence. Otherwise they may never take the chance, due to fear of losing their medical insurance, medications and treatments that they will continue to need. Thank you!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 18, 2014

The Honorable Mele Carroll, Chair
House Committee on Human Services
Twenty-Seventh Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Carroll and Members of the Committee:

SUBJECT: SB 2525 SD2 – RELATING TO PERSONS WITH DISABILITIES

Addendum to testimony in support of SB 2525 SD2 submitted to the House Committee on Human Services for public hearing on Tuesday, March 18, 2014, 9:45 a.m., in Conference Room 329.

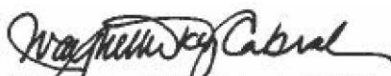
HB 1754 HD2 (companion bill) was amended by the Senate Human Services Committee at its public hearing on March 11, 2014, to include the following:


- 1) Inserting language that establishes a Medicaid buy-in pilot program that must be implemented by July 1, 2015, will terminate on June 30, 2017, and will serve 100 individuals with disabilities who are no longer eligible for Medicaid benefits because they obtained employment;
- 2) Inserting an appropriation in the amount of \$400,000 to the Department of Health for the Medicaid buy-in pilot program; and
- 3) Adding language requiring the Department of Health to assist the Department of Human Services with its report to the Legislature so that the report includes an update on the Medicaid buy-in pilot program

In light of the above amendments (Senate Standing Committee Report No. 2892), the State Council on Developmental Disabilities respectfully asks the House Committee on Human Services to amend SB 2525 SD2 to include those amendments.

Thank you for the opportunity to submit an addendum to our testimony in **support of SB 2525 SD2 with proposed amendments.**

Sincerely,


Waynette K.Y. Cabral, MSW
Executive Administrator


J. Curtis Tyler, III
Chair

3-18-14

Brandon Young
808-351-6676

HUS 9:45a Hearing
SB2525 in support

I joined the task force when it began approximately 2 years ago before the 2012 session, Because of my association with Danny Campbell (who was suffering from cerebral palsy). He felt his line was pushed and although he was working, their cost share was high and would Prevent them from working.

So Bill and CDS (disabilities studies at UH) along with Senators in DC working on medicare studies

Agreed that we would create a media and by in program here in Hawaii.

Your assistance in passing this bill would be greatly appreciated.

Mahalo,

Brandon Young
(blind handicap)