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# 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 Act 200, Session  
2 Laws of Hawaii 2012, established a joint legislative task force  
3 to explore the possibility of implementing a medicaid buy-in  
4 program for individuals with disabilities, who are either not  
5 working or are currently working and would like to earn more  
6 income, based upon Hawaii's current medicaid income and asset  
7 limits and subject to approval of the federal Centers for  
8 Medicare and Medicaid Services. The legislature notes that a  
9 significant portion of the population in Hawaii receives federal  
10 or state benefits because of disabling conditions. Moreover,  
11 current state programs and policies, including state-designed  
12 medicaid waiver programs, create disincentives for persons with  
13 disabilities to become employed, maintain employment, or  
14 increase their employment income.

15           The legislature also finds that from 2005 through 2012,  
16 Hawaii was the recipient of a grant from the federal Centers for  
17 Medicare and Medicaid Services for the development of a medicaid  
18 infrastructure program to design and implement a medicaid buy-in



1 program for individuals with disabilities who are employed or  
2 desire to become employed and purchase medicaid coverage  
3 authorized under the Ticket to Work and Work Incentives  
4 Improvement Act of 1999 (P.L. 106-170). Prior to 1999, other  
5 potential federal options for the creation of a medicaid buy-in  
6 program included the 1997 Balanced Budget Act and a waiver  
7 pursuant to title 32 United States Code section 1115, the Social  
8 Security Act.

9 The legislature further finds that it is advantageous for  
10 economic development in the State and in the best interests of  
11 Hawaii's citizens with disabilities to establish programs and  
12 policies that encourage employment. It is the intent of the  
13 legislature that all state agencies work with citizens to  
14 identify and remove barriers to employment for persons with  
15 disabilities. Adults with disabilities need adequate health  
16 insurance, but options for insurance coverage are limited, even  
17 with the federal Patient Protection and Affordable Care Act.

18 The purpose of this Act is to encourage individuals to gain  
19 employment and improve their employment opportunities by  
20 establishing a medicaid buy-in program for individuals with  
21 disabilities.



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

4 "§346- Medicaid buy-in program for workers with  
5 disabilities. (a) There is established within the department  
6 of human services the medicaid buy-in program for workers with  
7 disabilities. The purpose of the medicaid buy-in program for  
8 workers with disabilities is to support employment of  
9 individuals with disabilities by expanding their access to  
10 medicaid.

11 (b) To qualify for the medicaid buy-in program for workers  
12 with disabilities, a person shall:

- 13 (1) Be a resident of the State;  
14 (2) Be at least eighteen years of age;  
15 (3) Meet medicaid citizenship requirements;  
16 (4) Have a disability, as defined by the Social Security  
17 Administration;  
18 (5) Be gainfully employed, including part-time or full-  
19 time work; provided that all earnings shall be  
20 reported to the department of labor and industrial  
21 relations;



1       (6) Have income that does not exceed three hundred per  
2       cent of the federal poverty level; and

3       (7) Have assets that do not exceed an amount established  
4       by the department, provided that the limitation shall  
5       not be less than \$25,000.

6       (c) The medicaid buy-in program may have an enrollment  
7       limit as determined by the department, provided that the  
8       limitation shall not be less than two hundred individuals.

9       (d) The department may require a person participating in  
10      the medicaid buy-in program for workers with disabilities to pay  
11      a premium or other cost-sharing charges as determined by the  
12      department.

13      (e) The department shall adopt rules pursuant to chapter  
14      91 necessary for the purposes of this section."

15           SECTION 3. The department of human services shall  
16      implement the medicaid buy-in program for workers with  
17      disabilities no later than July 1, 2017.

18           SECTION 4. The department of human services shall submit a  
19      report to the legislature no later than twenty days prior to the  
20      convening of the regular session of 2016, detailing its progress  
21      in implementing the medicaid buy-in program for workers with  
22      disabilities. The report shall include the department's



1 findings, recommendations, and any proposed legislation, and  
2 shall specify resources needed to implement the medicaid buy-in  
3 program for workers with disabilities.

4 SECTION 5. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$165,000 or so much  
6 thereof as may be necessary for fiscal year 2014-2015 for the  
7 University of Hawaii center on disability studies to prepare and  
8 conduct outreach and training programs relating to the medicaid  
9 buy-in program for workers with disabilities.

10 The sum appropriated shall be expended by the University of  
11 Hawaii center on disability studies for the purposes of this  
12 Act.

13 SECTION 6. New statutory material is underscored.

14 SECTION 7. This Act shall take effect on July 1, 2014.



**Report Title:**

Medicaid Buy-in Program for Workers with Disabilities;  
Appropriation

**Description:**

Establishes and appropriates funds for the Medicaid Buy-in  
Program for Workers with Disabilities. Effective July 1, 2014.  
(HB1754 HD1)

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