

STAND. COM. REP. NO. 2033

Honolulu, Hawaii

JAN 31 2014

RE: S.B. No. 2525
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred S.B. No. 2525 entitled:

"A BILL FOR AN ACT RELATING TO PERSONS WITH DISABILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a Medicaid buy-in program that encourages individuals with disabilities to gain employment while maintaining their health care services.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Hawaii Association of the Blind, Lanakila Pacific, Ohana Health Plan, Hawaii Primary Care Association, Community Alliance for Mental Health, Hawaii Disability Rights Center, and three individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that it is beneficial to individuals and society for persons with disabilities who are interested in working to be employed. Employment not only benefits the individuals' self-esteem, but it also contributes to their self-sufficiency and independence, puts money back into the economy, and is a better use of state resources. Data from the United States Bureau of Labor Statistics indicates that in 2012 only 17.8 percent of people with disabilities were employed compared to 63.9 percent of people without disabilities. According to testimony on



this measure, many people with disabilities want to work but worry that doing so could jeopardize their health coverage.

Your Committee finds that Hawaii is one of only five states in the country that has not yet formed a Medicaid buy-in program to allow persons with disabilities to work and move out of poverty. In 2012, a joint legislative task force was formed pursuant to Act 200, Session Laws of Hawaii 2012, to explore the possibility of implementing a Medicaid buy-in program for working individuals with disabilities based on Hawaii's Medicaid income and asset limits subject to approval of the federal Centers for Medicare and Medicaid Services. The Medicaid Buy-In Task Force has provided input for this measure, which your Committee has found useful in formulating its recommendation regarding this measure.

Your Committee has amended this measure by:

- (1) Amending the eligibility requirements and qualifications for the Medicaid buy-in program;
- (2) Removing the requirement that the program be evaluated periodically by the Department of Human Services with the assistance of the University of Hawaii;
- (3) Specifying that the Department of Human Services may establish an enrollment limit for the program; provided that it is not less than two hundred individuals;
- (4) Deleting the definition for "medicaid buy-in program for disabled workers";
- (5) Amending the progress reporting requirement of the Department of Human Services by deleting any required assistance from the University of Hawaii, extending the deadline for the report by one year, and requiring the report to include resources needed to implement the Medicaid buy-in program;
- (6) Removing the appropriation to establish the Medicaid buy-in program;
- (7) Making the appropriation for outreach and training related to the Medicaid buy-in program to the University of Hawaii Center on Disability Studies, rather than to



the Department of Human Services, and removing the evaluation of progress of the outreach and training programs as one of the purposes of the appropriated funds; and

- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2525, S.D. 1, and be referred to the Committee on Ways and Means.

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

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



