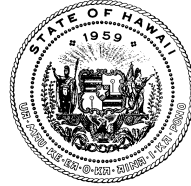


HB 1754

HD2

Measure Title:	RELATING TO PERSONS WITH DISABILITIES.
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, 2030. (HB1754 HD2)
Companion:	
Package:	None
Current Referral:	HMS, WAM
Introducer(s):	CARROLL, BELATTI, KOBAYASHI, OSHIRO, Creagan, Jordan, Woodson



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

In reply, please refer to:
File:

Senate Committee on Human Services

HB 1754, HD 2, Relating to Persons with Disabilities

**Testimony of Linda Rosen, M.D., M.P.H.
Director of Health**

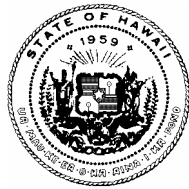
March 11, 2014

1 **Department's Position:** The Department of Health strongly supports this measure to develop a
2 Medicaid Buy-in option for persons with disabilities.

3 **Fiscal Implications:** The fiscal implications to the Department of Health are lowered costs for Home
4 and Community Based Services for persons already receiving services within the developmental
5 disabilities program as persons are able to be employed and less dependent upon day services. The
6 Department of Health Developmental Disabilities Division may experience some increase in eligible
7 participants in this same program as the income limit is raised. The Department of Health defers to the
8 Department of Human Services on the total costs of the bill upon the Medicaid program. The
9 Department of Health can provide a small pilot program with an annual cost of \$800,000.00.

10 **Purpose and Justification:** Employment is a key determinant of self determination and quality of life
11 for persons with developmental disabilities and a priority goal for the Department. This measure will
12 increase opportunity for persons being served by the Developmental Disabilities Division to sustain
13 employment without losing their other supports in the Medicaid Home and Community Based Services
14 program.

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



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

March 11, 2014

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Barbara Yamashita, Deputy Director

SUBJECT: **H.B. 1754, H.D.2 - RELATING TO PERSONS WITH DISABILITIES**

Hearing: Tuesday, March 11, 2014; 1:15 p.m.
Conference Room 016, 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 proposed 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
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 11, 2014

The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services
Twenty-Seventh Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Chun Oakland and Members of the Committee:

SUBJECT: HB 1754 HD 2 – RELATING TO PERSONS WITH DISABILITIES

The State Council on Developmental Disabilities **SUPPORTS HB 1754 HD 2**. 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.

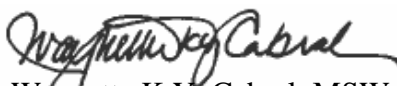
Act 200, Session Laws of Hawaii 2012, established a joint legislative Task Force to assist in exploring the development and possible implementation of a Medicaid buy-in program for working individuals with disabilities based on Hawaii's current Medicaid income and asset limits subject to approval of 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.

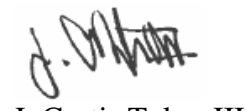
HB 1754 HD 2 is recognized as a work in progress and represents the input from the Task Force. The intent of the bill would encourage all State agencies working with citizens to identify and remove barriers to employment for persons with disabilities and to encourage individuals with disabilities to 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 HB 1754 HD2**.

Sincerely,


Waynette K.Y. Cabral, MSW
Executive Administrator


J. Curtis Tyler, III
Chair



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 SENATE THE TWENTY-SEVENTH LEGISLATURE REGULAR SESSION OF 2014

Committee on Human Services Testimony in of Support of H.B. 1754, H.D.2 Relating to Persons With Disabilities

**Tuesday, March 11, 2014, 1:15 P.M.
Conference Room 016**

Chair Chun-Oakland 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 and reflected in the H.D.1 version that is before this Committee.

We would however like to state that we do feel that the current version of the bill 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.



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Human Services

The Hon. Suzanne Chun Oakland, Chair

The Hon. Josh Green, Vice Chair

Testimony in Support of HB1754, HD2

Relating to Persons with Disabilities

Submitted by Robert Hirokawa, Chief Executive Officer

March 11, 2014, 1:15 pm, Room 016

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 1754, which seeks to establish and appropriate funds for a state Medicaid buy-in program. The HPCA 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.



Tuesday – March 11, 2014 – 1:15pm
Conference Room 016

The Senate Committee on Human Services

To: Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair

From: George Greene
President & CEO
Healthcare Association of Hawaii

Re: **Testimony in Support**
HB 1754, HD2 — 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 HB1754, HD2, 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.

HB 1754, HD2, 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 HB 1754, HD2.



PRESIDENT & CEO
Marian E. Tsuji

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State of Hawaii
Senate Committee on Human Services
The Honorable Senator Suzanne Chun Oakland, Chair
The Honorable Senator Josh Green, Vice Chair
Hawaii State Legislature

Mach 1, 2014; 1:15 pm
Room 016

HB 1754, HD2, Relating to Persons with Disabilities

Good afternoon, Chair Chun Oakland, Vice Chair Green, and Members of the Human Services Committee,

Lanakila Pacific strongly 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



Community Alliance for Mental Health

March, 11, 2014

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To: Senate Committee on Human Services
Re: HB1754, HD2

Aloha Chair Luke and the members of the committee,

On behalf of the Community Alliance for Mental Health along with United Self Help we support the passage of HB1754, HD2.

A Medicaid Buy-In is a necessary part of our state's health care transformation. We are faced with a shortage of medical personal. We are also faced with a disabled population that is limited in their ability to achieve personal growth.

A Medicaid Buy-In is a win-win for us. It will allow for para-professional medical workforce development by utilizing those members of the disabled population that want to grow and return to the workforce but require the continued access to certain ancillary services available as a Medicaid patient but not covered under regular insurance plans.

Not only is this an evidence based practice but Hawai'i is one of only five states yet to implement the Medicaid Buy-In. While there appears to be some cost to the state you must remember that that cost is already being spent to cover the disabled population. Not only that but we are investing in helping to grow an new taxpayer.

Therefore we strongly support the passage of HB1754, HD2. After seven years of negotiations it's time.

Scott Wall
VP/ Legislative Advocate
Community Alliance for Mental Health