SB2525

Measure Title: RELATING TO PERSONS WITH DISABILITIES.

Medicaid Buy-in Program for Workers with Disabilities; Appropriation Report Title:

Establishes and appropriates funds for the medicaid buy-in program Description:

for workers with disabilities. Effective 7/1/14.

Companion:

Package: None

Current Referral: HMS, WAM

Introducer(s): CHUN OAKLAND, Baker, Ihara, Kidani, Nishihara, Shimabukuro

PATRICIA MCMANAMAN DIRECTOR

BARBARA A. YAMASHITA DEPUTY DIRECTOR



STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES

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

January 25, 2014

TO: The Honorable Suzanne Chun Oakland, Chair

Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: S.B. 2525 - RELATING TO PERSONS WITH DISABILITIES

Hearing: Saturday, January 25, 2014; 10:00 a.m.

Conference Room 229, 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 a proposed S.D.1 to establish a Medicaid buy-in program. Although funding is not necessary until the 2017-2018 fiscal year, the DHS estimates that an additional appropriation of \$3.4 million annually will be needed for the buy-in program, which the DHS would intend to seek.

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.1 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 the federal Affordable Care Act (ACA), state-only funded programs, 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 Counties Area Agencies on Aging.

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
January 25, 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: SB 2525 – RELATING TO PERSONS WITH DISABILITIES

The State Council on Developmental Disabilities **SUPPORTS SB 2525.** 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 on 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 is recognized as a work in progress with 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.

In its ongoing efforts to establish the Medicaid buy-in program, the Task Force at its meeting on January 23, 2014, agreed to several amendments. We support those amendments and have attached the document as a proposed SD1. We appreciate your consideration of the proposed amendments.

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

Sincerely,

Waynette K.Y. Cabral, MSW

Executive Administrator

J. Curtis Tyler III

Chair

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 currently working and would like to earn more income,
- 6 based upon Hawaii's current medicaid income and asset limits,
- 7 subject to approval of the federal Centers for Medicare and
- 8 Medicaid Services. The legislature notes that a significant
- 9 portion of the population in Hawaii receives federal or state
- 10 benefits because of disabling conditions. Additionally, current
- 11 state programs and policies, including state-designed medicaid
- 12 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
- infrastructure program to design and implement a medicaid buy-in SB LRB 14-0851.doc



- program for individuals with disabilities who are employed or 1
- 2 desire to become employed and purchase medicaid coverage
- authorized under the Ticket to Work and Work Incentives 3
- Improvement Act of 1999 (P.L. 106-170). Prior to 1999, other
- 5 potential federal options for the creation of a medicaid buy-in
- program included the 1997 Balanced Budget Act and a waiver 6
- 7 pursuant to title 32 United States Code section 1115, the Social
- 8 Security Act.
- 9 The legislature further finds that it is advantageous to
- 10 economic development of 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
- disabilities. Adults with disabilities need adequate health 15
- 16 insurance, but options for insurance coverage are limited, even
- with the federal Patient Protection and Affordable Care Act. 17
- The purpose of this Act is to encourage individuals with and improve their employment opportunities disabilities to gain employment by establishing a medicaid buy-18
- 19
- 20 in program for individuals with 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; 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 to the continued									
9	employment of individuals with disabilities by expanding their									
10	access to 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 in either part-time or full-time									
19	work; provided that all earnings shall be reported to									
20	the department of labor and industrial relations;									
21	(6) Have a gross income that does not exceed three hundred									
22	per cent of the federal poverty level; and									
	SB LRB 14-0851.doc									

1	(7) Have assets that do not exceed an amount established	
2	by the department; provided that the limitation shall	
3	not be less than \$25,000.	
4	(c) Enrollment in the medicaid buy-in program for workers	
5	with disabilities shall be determined by the department. The	
6	program shall be evaluated periodically by the department with	
7	the assistance of the University of Hawaii. The medicald buy	-in program
8	(d) The department may require a person participating in	may have
9	the medicaid buy-in program for workers with disabilities to pay	an envollment
10	a premium or other cost-sharing charges in a manner as	limit.
11	determined by the department.	asdeterminal
12		by the
13	91 necessary for the purposes of this section."	department;
14	SECTION 3. The department of human services shall	mat
15	implement the medicaid buy-in program for workers with	tuo
16	disabilities no later than July 1, 2017.	iimitation
17	SECTION 4. The department of human services shall submit a	cnal not
18	report to the legislature no later than twenty days prior to the	be less
19	convening of the regular session of 2015, detailing its progress	
20	in implementing the medicaid buy-in program for workers with	200
21	disabilities. The report shall also include any proposed	individuals.

, and resources needed to implement recommendations or legislation for the medicaid buy-in program for workers with disabilities. SECTION 5. There is appropriated out of the general 3 revenues of the State of Hawaii the sum of \$ or so much 5 thereof as may be necessary for fiscal year 2014-2015 to establish the medicaid buy-in program for workers with disabilities and for disability benefits and work incentives 8 education and planning associated with the program. 9 The sum appropriated shall be expended by the department of human services for the purposes of this Act. 10 SECTION 6. There is appropriated out of the general 11 12 revenues of the State of Hawaii the sum of \$165,000 or so much 13 thereof as may be necessary for fiscal year 2014-2015 for the department of human services, with the assistance of the University of Hawaii center on disability studies to prepare 15 evaluate the progress of, and conduct outreach and training 16 17 relating to the medicaid buy-in program for workers with University of Itawaii center disabilities. 18 The sum appropriated shall be expended by the department of 19 human services for the purposes of this Act. 20

SECTION . New statutory material is underscored.

21

1	SECTION .	This	Act	shall	take	effect	on	July	1,	2014.	
2											
INTRODUCED BY:											

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 7/1/14.

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

THE SENATE THE TWENTY-SEVENTH LEGISLATURE REGULAR SESSION OF 2014

COMMITTEE ON HUMAN SERVICES

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

In full Support of SB Bill 2525

My name is Yolanda Phelan and I represent The Hawaii Association of the Blind which is an affiliate of The American Council of The Blind supports SB 2525

Relating to the Buy-In program.

Even though it is not a bill for the blind it is a good bill and will benefit not only Blind people but will benefit others disable people in the community and provide opportunities for people to work and not lose their medical benefits because they became employed.

The current program and policies for Medicaid creates a disincentive for persons with disabilities to become employed,

To maintain employment, or to further their employment goals.

It is advantageous to economic development of the state and in the best interest of it's citizens with disabilities to have programs and policies that support employment. SB 2525 will provide a safety net until persons can afford to pay or co-pay or until the employer helps cover medical expenses.

Landa Phelan Hawaii Association of the Blind Member- Board of Directors





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

January 25, 2014; 10:00 am

Room 229
SB 2525, Relating to Persons with Disabilities

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

Lanakila Pacific strongly supports SB 2525, Relating to Persons with Disabilities, with the amendments discussed at the January 23rd Medicaid Buy-In Task Force meeting, to encourage individuals with disabilities to gain employment by establishing a Medicaid Buy-In Program.

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



949 Kamokila Boulevard, 3rd Floor, Suite 350, Kapolei, Hl 96707 808.675.7300 | www.ohanahealthplan.com

January 24, 2014

To: The Honorable Suzanne Chun Oakland

Chair, Senate Committee on Human Services

From: 'Ohana Health Plan

Re: SB 2525, Relating to Persons with Disabilities

In Support

Hearing: Saturday, January 25, 2014 at 10:00 am

Hawai'i State Capitol, Conference Room 229

'Ohana Health Plan ('Ohana) is a member of the WellCare Health Plans, Inc.'s ("WellCare") family of companies and provides healthcare for over 45,000 Hawai'i residents. Since 2009, 'Ohana has utilized WellCare's national experience to develop a Hawai'i -specific care model that addresses local members' healthcare and health coordination needs. 'Ohana currently provides services for the Hawai'i's Department of Human Services' (DHS) MedQUEST Division for three Medicaid programs: (1) QUEST, (2) QUEST Expanded Access (QExA), and (3) Behavioral Health services for Medicaideligible adults who have serious mental illnesses and are participants in the QExA program.

'Ohana Health Plan offers our strong **support** of SB2525, and urges the establishment of a Medicaid buy-in program for workers with disabilities. As one of the largest health plans in the state that specifically serves our disabled community, we are acutely aware of the disconnect between needing certain home and community based services and wanting to be a contributing member of society via formal employment. As these home and community based services are uniquely covered by

Medicaid, these community members must choose to remain unemployed or, at best, underemployed in order to not lose the very services that help keep them independent. The ability to seek and maintain employment is not only good for the health and welfare of the disabled individual, but for the community as a whole. The current Medicaid income limits should not be a barrier to this sub-set of the disabled population that wishes to contribute to our community by participating in gainful employment. For these reasons, 'Ohana Health Plan strongly supports the creation of a Medicaid buy-in program for the state of Hawai'i.

Thank you very much for the opportunity to submit testimony on this measure.

January 23, 2014 Ellen K. Awai 3329 Kanaina Ave. #304 Honolulu, HI 96815 Cell: (808) 551-7676

Awai76@aol.com

TO: Senator Suzanne Chun Oakland, Chair of the Human Services Committee & Members Hearing on Saturday, January 25, 2014 at 10:00 a.m. Room #229

SUBJECT: SB2525 with 1/23/14 Taskforce Revisions - Please support!

I am a member of Senator Chun Oakland's Medicaid Buy-In Taskforce and strongly support SB2525 and the revisions suggested by the group on January 23rd. I've assisted individuals with disabilities for over 20 years, and the Medicaid Buy-In program is greatly needed, especially for the aged, blind, and disabled. Hawaii is one of the few states that do not have such a program. For several years, I've been working with the University of Hawaii's Center on Disability Studies and others in the community developing the Buy-In program. I am one of the few that have shared my experiences and the need for such a program.

The Medicaid Buy-In would give people with disabilities an incentive to find a job that they can earn more than the federal poverty level (FPL). In 2013, the FPL for Hawaii was about \$1100 for a single person. Prior to 2005, I was dual-eligible, qualifying for both Medicare and Medicaid, since my Social Security disability benefits were less than \$900. I was dependent on Medicaid benefits, which was vital for me to receive treatment for my illness and continue my medications, which I could otherwise not afford.

In 2005, I was employed with Hawaii's Department of Health's Adult Mental Health Division in the Office of Consumer Affairs, for a position that needed an individual with my disability. But when the economy fell in 2009 and positions were cut, I lost my job. I found myself in the same situation as in 2005, unable to pay for an insurance plan to cover my medications and treatment. With a Buy-In plan, I could find a job that could get me out of the poverty level without the fear of losing my medical, medications, and falling into another episode of necessary treatments.

As a member of the Community Outreach Advisory Council for the Affordable Care Act, I saw individuals qualify for subsidized insurance plans, some for the first time. But so many more needed the services of the Medicaid or MedQuest in Hawaii. A Medicaid Buy-In program could keep expenses from being shifted to other departments at a greater cost, such as homelessness, emergency rooms, hospitals, police, public safety, and the judiciary system. Please support SB2525 and its companion bill HB1754!

Mahalo and Aloha!

Ellen K. Awai, MSCJA, BBA, CPRP Behavioral Health Advocate

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
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- 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 SB LRB 14-0851.doc



- program for individuals with disabilities who are employed or
- desire to become employed and purchase medicaid coverage
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- Improvement Act of 1999 (P.L. 106-170). Prior to 1999, other 4
- 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 to
- 10 economic development of the State and in the best interests of
- 11 Hawaii's citizens with disabilities to establish programs and
- policies that encourage employment. It is the intent of the 12
- 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
- insurance, but options for insurance coverage are limited, even 16
- with the federal Patient Protection and Affordable Care Act. 17
- The purpose of this Act is to encourage individuals with 18
- disabilities to gain employment by establishing a medicaid buy-19
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13	(1)	Be a resident of the State;								
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16	(4)	Have a disability, as defined by the Social Security								
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18	(5)	Be gainfully employed in either part-time or full-time								
19		work; provided that all earnings shall be reported to								
20		the department of labor and industrial relations;								
21	(6)	Have a gross income that does not exceed three hundred								
22		per cent of the federal poverty level; and								

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1	(7) Have assets that do not exceed an amount established	
2	by the department; provided that the limitation shall	
3	not be less than \$25,000.	
4	(c) Enrollment in the medicaid buy-in program for workers	
5	with disabilities shall be determined by the department. The	
6	program shall be evaluated periodically by the department with	
7	the assistance of the University of Hawaii. The medicald buy	-in program
8	(d) The department may require a person participating in	may have
9	the medicaid buy-in program for workers with disabilities to pay	envollment
10	a premium or other cost-sharing charges in a manner as	limit.
11	determined by the department.	asdetermina
12	(e) The department shall adopt rules pursuant to chapter	by the
13	91 necessary for the purposes of this section."	department;
14	SECTION 3. The department of human services shall	mat
15	implement the medicaid buy-in program for workers with	tho
16	disabilities no later than July 1, 2017.	ii mitration
17	SECTION 4. The department of human services shall submit a	cnul not
18	report to the legislature no later than twenty days prior to the	we less
19	convening of the regular session of 201, detailing its progress	tran
20	in implementing the medicaid buy-in program for workers with	200
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- 4 revenues of the State of Hawaii the sum of \$ or so much
- 5 thereof as may be necessary for fiscal year 2014-2015 to
- 6 establish the medicaid buy-in program for workers with
- 7 disabilities and for disability benefits and work incentives
- 8 education and planning associated with the program.
- 9 The sum appropriated shall be expended by the department of
- 10 human services for the purposes of this Act.
- 11 SECTION 6. There is appropriated out of the general
- 12 revenues of the State of Hawaii the sum of \$165,000 or so much
- 13 thereof as may be necessary for fiscal year 2014-2015 for the
- 14 department of human services, with the assistance of the
- 15 University of Hawaii center on disability studies to prepare
- 16 [evaluate the progress of,] and conduct outreach and training
- 17 relating to the medicaid buy-in program for workers with
- 18 disabilities.

University of Hawaii

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disability

21 SECTION . New statutory material is underscored.

studies

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1	SECTION	ķ.	This	Act	shall	take	effect	on	July	1,	2014.	
2												
			I	TROI	DUCED I	BY:						

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