



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

February 5, 2014

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2525, S.D.1 - RELATING TO PERSONS WITH DISABILITIES**

Hearing: Wednesday, February 5, 2014; 10:30 a.m.
Conference Room 211, 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 the 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 total appropriation of \$3.4 million, of which \$1.7 million is in general funds, will be needed for the buy-in program. The Legislature would have to appropriate the necessary funding for this 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.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, 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 County Area Agencies on Aging

The DHS has an additional comment on Section 8 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 should not also be appropriated for a later fiscal year.

Thank you for the opportunity to testify on this measure.



HAWAII DISABILITY RIGHTS CENTER

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THE SENATE THE TWENTY-SEVENTH LEGISLATURE REGULAR SESSION OF 2014

Committee on Ways and Means Testimony in of Support of S.B. 2525, SD1 Relating to Persons With Disabilities

**Wednesday, February 5, 2014, 10:30 A.M.
Conference Room 211**

Chair Ige 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.

February 5, 2014

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TO: Senator Ige, Chair of Ways and Means Committee and Committee Members
Hearing on February 5, 2014 at 10:30 a.m. Room #211

SUBJECT: SB2525 SD1 Medicaid Buy-In - Please support!

I am a member of the joint force 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

Community Alliance for Mental Health

February, 5, 2014

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To: Senate Ways & Means Committee
Re: SB 2525, SD1



To: Senator Ige 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, SD1.

We believe that the passage of SB 2525, SD1, 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