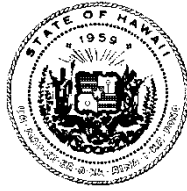


HB 1236 HD1

Measure Title:	RELATING TO PERSONS WITH DISABILITIES.
Report Title:	Medicaid Buy-in Program for Workers with Disabilities; Pilot Program; Appropriation (\$)
Description:	Establishes the department of human services medicaid buy-in program for workers with disabilities and appropriates funds for outreach and training relating to the program. Establishes and appropriates funds for a department of health medicaid buy-in pilot program to be effective from July 1, 2016, until June 30, 2018. (HB1236 HD1)
Companion:	SB481
Package:	None
Current Referral:	HSH, WAM
Introducer(s):	CARROLL, AQUINO, BELATTI, BROWER, CACHOLA, EVANS, ING, KOBAYASHI, C. LEE, MCKELVEY, MIZUNO, MORIKAWA, NAKASHIMA, NISHIMOTO, OSHIRO, SAIKI, SAY, TAKAYAMA, THIELEN, TOKIOKA, YAMASHITA, Fukumoto Chang, Matsumoto, Rhoads, San Buenaventura, Souki, Takumi



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

March 22, 2015

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

FROM: Rachael Wong, DrPH, Director

SUBJECT: **H.B. 1236 HD1 - RELATING TO PERSONS WITH DISABILITIES**

Hearing: Tuesday, March 24, 2015; 1:20 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of the bill is to establish a Medicaid Buy-In program for workers with disabilities and appropriate funds for outreach and training relating to the program. Pilot Medicaid Buy-In program is to be established in the Department of Health from July 1, 2016 through June 30, 2018.

DEPARTMENT'S POSITION:

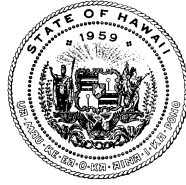
The Department of Human Services (DHS) supports removing barriers to individuals with disabilities seeking employment while maintaining access to Medicaid. However, the DHS has concerns regarding the cost implications of this measure that may replace or adversely impact existing program mandates and priorities identified in the Executive Budget. The DHS provides the following comments on this measure.

Similar bill S.B. 481 SD1 also provides for the establishment of a Medicaid Buy-In program. The DHS prefers the Senate version as it reflects the work that was done through the Medicaid Buy-In Task Force. In collaboration, the Task Force members agreed to pursue a new eligibility group for

working disabled adults which include an earned income disregard. The approach in S.B. 481 SD1 may be implemented more quickly and be less expensive than a full-fledged Buy-In program while helping many individuals with disabilities. In addition the DHS has already prepared a State Plan Amendment and drafted proposed Hawaii Administrative Rules to add the Working Disabled Adults eligibility group. It was anticipated the DHS would have required a total of \$1,570,023 (\$729,393 A funds/\$840,630 N funds) in each year of the biennium for the program. However, DHS understands the State's current fiscal constraints, existing competing priorities, and supports the priorities in the Executive budget.

The other major difference between the senate and house versions of the measure is that H.B. 1236 HD1 provides for a pilot program to be established within the Department of Health (DOH) and defers to the DOH on support of the referenced pilot program. DHS believes that S.B. 481 SD1 would allow the DHS to move forward with establishing a Buy-In program without the need for a pilot program.

Thank you for the opportunity to testify on this bill



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of H.B. 1236, H.D. 1
RELATING TO PERSONS WITH DISABILITIES**

SENATOR SUZANNE CHUN-OAKLAND, CHAIR
SENATE COMMITTEE ON HUMAN SERVICES AND HOUSING

Hearing Date: 3-24-15

Room Number: 016

1 **Fiscal Implications:** Unspecified amount to the Department of Health for a Medicaid Buy-In
2 Pilot Program.

3 **Department Testimony:** The Department of Health (DOH) supports the intent of H.B. 1236,
4 H.D.1, Relating to Persons with Disabilities because working aged adults with disabilities face
5 many challenges to becoming competitively employed, especially the loss of health insurance
6 coverage. DOH is available to collaborate with Med-Quest Division (MQD) on programs that
7 will reduce barriers to employment for people with disabilities. HOWEVER, the pilot program
8 described in Section 4 of this bill is NOT feasible to implement nor sustainable, especially given
9 the short one-year time frame to develop, implement, and evaluate such a pilot.

10 DOH supports MQD's efforts to allow employed individuals with disabilities to continue
11 receiving Medicaid supports and services while earning a salary, within limits, as specified by
12 MQD. Having the assurance of health coverage through Medicaid expansion will relieve
13 concerns of people with disabilities who want to work but need continued supports and services.

14 **Offered Amendments:** DOH respectfully requests the deletion of Section 4 on page 4, line 18,
15 to page 5, line 8 and Section 6 on page 5, line 20 to page 6, line 6.

16 Thank you for the opportunity to testify.



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 24, 2015

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

Dear Senator Chun Oakland and Members of the Committee:

SUBJECT: HB 1236 HD1 – RELATING PERSONS WITH DISABILITIES

The State Council on Developmental Disabilities (DD) **SUPPORTS THE INTENT OF HB 1236 HD1**. The bill establishes the Department of Human Services (DHS) Medicaid Buy-In Program for workers with disabilities and appropriates funds for outreach and training relating to the program, and establishes and appropriates funds for a Department of Health Medicaid Buy-In pilot program to be effective from July 1, 2016, until June 30, 2018.

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 by the Federal Centers for Medicare and Medicaid Services. The Council is a member of the Task Force and has been engaged in discussions on establishing and implementing a Medicaid Buy-In program for individuals with disabilities. The Task Force was in general agreement that the Medicaid Buy-In program was a viable option to pursue to enable workers with disabilities to be employed while protecting them from losing their medical benefits and supports.

We bring to your attention that HB 1236 HD1 reflects HB 1754 HD2 SD2 - Relating to Persons with Disabilities that was pending before the Conference Committee during the 2014 legislative session. That bill represented input and general consensus among the joint legislative Task Force with some resistance by DHS. The intent of the bill seeks to identify and remove barriers to employment for persons with disabilities, to establish a pilot project to support individuals with disabilities to obtain employment, and to prepare and conduct outreach and training programs relating to the Medicaid Buy-In program.

The Honorable Suzanne Chun Oakland
Page 2
March 24, 2015

During the interim, discussions of the Task Force continued, and DHS offered another option that they would support. The Task Force was in agreement of this option that would be through an amendment in DHS' Hawaii Administrative Rules (HAR) to establish a new Working Disabled Adults eligibility group that would include an earned income disregard and allow Medicaid recipients with disabilities to maintain their eligibility. DHS prepared the HAR and was targeted to be on a fast track to begin on April 1, 2015. DHS included funds in their biennium request for implementation of the HAR. However, we were informed by DHS that the Governor's Executive Budget did not include DHS' request and as a result, the program has been deferred indefinitely.

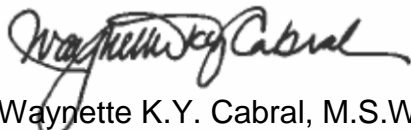
To address the above, SB 481 SD1 – Relating to Persons with Disabilities addressed expanding Medicaid eligibility for workers with disabilities similarly to DHS' initiative to amend its HAR. The bill passed Second Reading from the Senate Human Services and Housing Committee on February 20, 2015, and was referred to the Senate Ways and Means (WAM) Committee. The WAM Committee did not have a Decision Making Hearing on the bill, therefore, the bill has died.

In light of the above, it is imperative that the Legislature take a proactive approach to encourage and provide incentives for individuals with disabilities to gain and maintain employment, and increase their employment income.

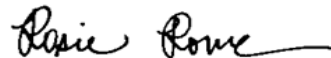
We appreciate the Legislature's involvement with the Task Force and perseverance in addressing options for individuals with disabilities to become employed and maintain their access to Medicaid.

Thank you for the opportunity to submit testimony **supporting the intent of HB 1236 HD1**.

Sincerely,



Waynette K.Y. Cabral, M.S.W.
Executive Administrator



Rosie Rowe
Chair



PRESIDENT & CEO
Marcian E. Tsuji

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

March 24, 2015; 1:20 p.m.
Room 016

HB 1236, HD1, Relating to Persons with Disabilities

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

Lanakila Pacific supports the intent of HB 1236, HD1 to establish a Medicaid Buy-In Program. In light of the discussions with the joint legislative Task Force and DHS, **we support the companion SB 481, SD1** which seeks to pursue expanding Medicaid eligibility for workers with disabilities. **However, we would prefer that the following more specific language from HB 1236, HD1 be added to SB 481, SD1** to ensure individuals with disabilities have the opportunity for greater earning levels to rise above the poverty level.

From SECTION 2. (b) (6), line 20:

Have income that does not exceed three hundred percent of the federal poverty level; and (b) (7), line 1: Have assets that do not exceed an amount established by the department; provided that the limitation on assets established by the department shall not be less than \$25,000.

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. Expanding access to Medicaid would provide people with disabilities who are interested in working the opportunity to get or keep health coverage while on the job.

Senate Committee on Human Services and Housing
March 24, 2015; 1:20 p.m.
Page Two

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 the intent of this measure.

Respectfully submitted,

Marian E. Tsuji
President & CEO

Mary Beth Lum
Workforce Resources Manager



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-EIGHTH LEGISLATURE REGULAR SESSION OF 2015

Committee on Human Services and Housing Testimony on H.B. 1236, HD1 Relating to Persons With Disabilities

**Tuesday, March 24, 2015, 1:20 P.M.
Conference Room 016**

Chair Chun-Oakland and Members of the Committee:

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 based waiver services which accompany the receipt of Medicaid.

For that reason, the Medicaid Buy In Program has long appeared to be a viable option to address this. It 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 between the past few last legislative sessions. We note that the members of the Task Force were in general agreement that the Buy In Program should be pursued.

The notable exception to that general consensus in the past few years has been the Department of Human Services. They had been resistant to the Buy In, though they did state that they would support an "Income Disregard" Program which would allow Medicaid recipients with disabilities to earn up to two thousand dollars per month and not lose their eligibility. The Task Force was told that Administrative Rules would be drafted by December 2014 and the program would be operational by April, 2015. We recently learned that the new Administration has shifted course and has not included funding in the Executive Budget for this purpose. In light of that, it may be more



important now for the Legislature to entertain this issue, be it in the form of a Buy In Program or an Income Disregard enacted in statutory form.

Thank you for the opportunity to testify on this measure.

From: mailinglist@capitol.hawaii.gov
To: [HSH Testimony](#)
Cc: maucrowe@gmail.com
Subject: Submitted testimony for HB1236 on Mar 24, 2015 13:20PM
Date: Sunday, March 22, 2015 12:42:10 PM

HB1236

Submitted on: 3/22/2015

Testimony for HSH on Mar 24, 2015 13:20PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
james crowe	Individual	Support	No

Comments: Please support HB 1236. This is another opportunity to support marginalized citizens of Hawaii

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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