



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

LATE

February 11, 2015

Memorandum

TO: The Honorable Dee Morikawa, Chair
House Committee on Human Services

FROM: Rachael Wong, DrPH, Director

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

Hearing: Thursday, February 12, 2015; 10:00 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to establish a Medicaid Buy-In program for workers with disabilities, and appropriate funds for outreach and training relating to the program. The proposal establishes a Pilot Medicaid Buy-In program 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, DHS has concerns regarding cost implications that may replace or adversely impact existing program mandates and priorities identified in the Executive Budget. The DHS provides the following comments.

Since its inception DHS, has been an active participant on 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 may be implemented more quickly and be less expensive than a full-fledged buy-in program, while helping many individuals with disabilities. The DHS has already prepared a State Plan Amendment and drafted proposed Hawaii Administrative Rules to add the Working Disabled Adults eligibility group.

However, DHS understands the State's current fiscal constraints, existing competing priorities, and supports the priorities in the Executive Budget.

Thank you for the opportunity to provide comment on this bill.



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

LATE

**Testimony in SUPPORT of HB 1236
RELATING TO PERSONS WITH DISABILITIES**

REPRESENTATIVE DEE MORIKAWA , CHAIR
HOUSE COMMITTEE ON HUMAN SERVICES

Hearing Date: 2-12-15

Room Number: 329

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 supports the intent of H.B. 1236 Relating
4 to Persons with Disabilities. Our understanding is that the Med-QUEST Division (MQD)
5 submitted a State Plan Amendment to establish a new Working Disabled Adults eligibility group
6 beginning April 1, 2015. Although the funding for the expansion could not included in the
7 Executive budget request because of the current fiscal situation, we continue to recognize the
8 importance of this initiative. Working-aged adults with intellectual/ developmental disabilities
9 (I/DD) and Serious Mental Illness (SMI) face many challenges to become competitively
10 employed.

11 A significant barrier often identified by individuals with SMI and I/DD and their families
12 is the risk of losing Medicaid health coverage if their earnings exceed the Medicaid limits. A
13 Medicaid buy-in would help address the concern by many individuals that having a job would
14 result in loss of important health benefits. This initiative would also address new federal Centers
15 for Medicare and Medicaid Services (CMS) requirements that include an increased need for
16 employment options that pay at least minimum wage. Employment opportunities will be more
17 attractive if the financial disincentive to working (i.e., the risk of losing Medicaid coverage) is
18 alleviated through the ability to buy-in to Medicaid.

19 While DDD and AMHD are available to collaborate with MQD if a Medicaid buy-in
20 program is established and funded, the pilot program described in Section 4 of this bill does not

1 seem feasible or sustainable to implement especially give the short time frame asked for to
2 develop, implement and evaluate such a pilot.

3 Department of Health supports SB481, SD1, that allows MQD to expand Medicaid
4 eligibility for workers with disabilities; thus, allowing employed individuals with disabilities to
5 continue receiving Medicaid supports and services while earning a salary within limits as
6 specified by MQD.

7 Thank you for the opportunity to testify.



LATE

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
February 12, 2015

The Honorable Dee Morikawa, Chair
House Committee on Human Services
Twenty-Eighth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Morikawa and Members of the Committee:

SUBJECT: HB 1236 – RELATING PERSONS WITH DISABILITIES

The State Council on Developmental Disabilities (DD) **SUPPORTS THE INTENT OF HB 1236**. The bill 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, 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 reflects the contents in 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 the Department of Human Services (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 Dee Morikawa
Page 2
February 12, 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 that would allow Medicaid recipients with disabilities to earn up to \$2,000 per month and maintain their eligibility. DHS prepared the HAR and was targeted to be on a fast track to begin on April 1, 2015. DHS included in their biennium request funds 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, there is proposed a SD1 for SB 481 – Relating to Persons with Disabilities that seeks to pursue expanding Medicaid eligibility for workers with disabilities similarly to DHS' initiative to amend its HAR. The hearing for SB 481 is scheduled for today at 4:30 p.m. before the Senate Committee on Human Services and Housing.

In light of the above, it is imperative that the Legislature consider a proactive approach by moving HB 1236 forward for further discussion while SB 481 Proposed SD1 is moving on the Senate side.

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**.

Sincerely,



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



Rosie Rowe
Chair



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

February 10, 2015

To: The Honorable Dee Morikawa
Chair, House Committee on Human Services

From: 'Ohana Health Plan

Re: HB 1236, Relating to Persons with Disabilities
In Support

Hearing: Thursday, February 12, 2015 at 10:00 am
Hawai'i State Capitol, Conference Room 329

'Ohana Health Plan ('Ohana) is a member of the WellCare Health Plans, Inc.'s ("WellCare") family of companies and provides healthcare for over 50,000 Hawai'i residents statewide. 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. By focusing on the state's Medicaid and Medicare population, 'Ohana serves Hawaii's most vulnerable residents: low-income, elderly, disabled, and individuals with complex medical issues. 'Ohana's mission is to help our members' lead better, healthier lives.

'Ohana Health Plan offers our strong support of HB1236, 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.



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 HOUSE OF REPRESENTATIVES THE TWENTY-EIGHTH LEGISLATURE REGULAR SESSION OF 2015

Committee on Human Services Testimony on H.B. 1236 Relating to Persons With Disabilities

Thursday, February 12, 2015, 10:00 A.M.
Conference Room 329

Chair Morikawa 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



HAWAII'S PROTECTION AND ADVOCACY SYSTEM FOR PEOPLE WITH DISABILITIES
HAWAII'S CLIENT ASSISTANCE PROGRAM



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.

kobayashi2-Lynda

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 07, 2015 9:50 PM
To: HUS testimony
Cc: Awai76@aol.com
Subject: Submitted testimony for HB1236 on Feb 12, 2015 10:00AM

HB1236

Submitted on: 2/7/2015

Testimony for HUS on Feb 12, 2015 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Ellen Awai	Individual	Support	No

Comments: Aloha Representatives! I strongly support HB1236 and the companion bill SB481, to develop a Medicaid-Buy In program for Hawaii, one of the few states that do not have this program. I myself was afraid to find a job because I would lose my Medicaid that basically helped my income, which was already at poverty level at a time when I received about \$600 a month. I worried whether I could pay for my medical treatments and medications or buy food and pay rent. So I refused to look for a job that would disturb any assistance I received . A huge group in Hawaii face the same situation, especially those with disabling conditions. This program is especially important for those who face stigmatizing and discriminating circumstances daily. Many of you already sponsor this bill and see its importance. I've been on the task force for several years, have a masters in criminal justice administration, certified as a psychiatric rehabilitation practitioner, an advocate for mental health and cultural issues, a behavioral health consultant certified in many programs that affect our disabling population and a participant of SAMHSA's Center for Mental Health Services subcommittee on consumer/survivor issues since 2005 in Washington DC and most of you have heard my oral testimony. The Medicaid Buy-In program is important along with the Affordable Care Act, since retaining employment is very unstable for the individuals that could participate. Please support this bill. I apologize that I will be unable to testify in person, I am attending a conference on the Mainland. Mahalo! Ellen Kekipi Awai

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

kobayashi2-Lynda

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 11, 2015 8:08 AM
To: HUS testimony
Cc: mwillette@lanakilapacific.org
Subject: Submitted testimony for HB1236 on Feb 12, 2015 10:00AM
Attachments: HB1236 Medicaid Buy-In 2-12-15.doc

HB1236

Submitted on: 2/11/2015

Testimony for HUS on Feb 12, 2015 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Marlena Willette	Lanakila Pacific	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov