



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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

February 24, 2016

**TO:** The Honorable Sylvia Luke, Chair  
The House Committee on Finance

**FROM:** Rachael Wong, DrPH, Director

**SUBJECT: HB 2540 HD1 RELATING TO PERSONS WITH DISABILITIES**

Hearing: Thursday, February 25, 2016, 1:00  
Conference Room 308, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of the bill to support workforce development and support services for people with disabilities through a Medicaid Buy-In program. The Executive budget includes a request of \$293,405 general funds (\$637,560=\$293,405A funds + \$344,155N funds) to implement such a program. The Department asks for the Legislature's support of the Executive Budget request.

**PURPOSE:** The purpose of the bill is to encourage individuals with disabilities to gain employment and improve their employment opportunities by implementing a Medicaid Buy-In program for workers with disabilities.

The Department of Human Services (DHS) appreciates and supports the intent of the bill to implement a Medicaid Buy-In/Ticket to Work program. However, an appropriation of \$293,405 in general funds with federal Medicaid matching funds of \$344,155 for a total of \$637,560 to implement a Medicaid Buy-In program is included in the Executive supplemental budget request. These funds will allow DHS to design and implement the program for the needs of the population with sufficient flexibility in future years to make appropriate adjustments. If included in statute, adjusting the program for the changing needs would be much more challenging. We respectfully ask for legislative support for the Executive Budget request.

The Medicaid Buy-in program recognizes the importance of employment supports for people with disabilities in their overall health. The program helps promote independence and is aligned with the state's workforce development goals. Without this program, there will continue to be disincentives for people with disabilities to become employed, maintain employment or increase their income.

Thank you for the opportunity to testify on this bill.



**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
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February 25, 2016

The Honorable Sylvia Luke, Chair  
House Committee on Finance  
Twenty-Eighth Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Representative Luke and Members of the Committee:

SUBJECT: HB 2540 HD1 – Relating to Persons with Disabilities

The State Council on Developmental Disabilities (DD) **SUPPORTS HB 2540 HD1**. The purpose of the bill is to establish within the Department of Human Services (DHS) a Medicaid Buy-In (MBI) program for Workers with Disabilities.

Act 200, Session Laws of Hawaii 2012, established a joint legislative Task Force to assist in exploring the development and possible implementation of a MBI 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 Task Force was convened by Senator Suzanne Chun Oakland and the late Representative Mele Carroll. The Council is a member of the Task Force and has been engaged in discussions on establishing and implementing a MBI program for individuals with disabilities. The Task Force was in general agreement that the MBI 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.


A similar bill, HB 1236, HD1 SD2 Draft CD1 (2015), is pending a Conference Committee as of April 30, 2015. During the Interim, the Task Force continued to meet to discuss various options to implementing a MBI program. One option that the Task Force fully supported and encouraged was for the DHS Med-QUEST Division (MQD) to submit a budget request for funds to start the MBI program. DHS MQD submitted a request for \$293,405 in general funds and is included in the State budget bill (HB 1700 - Relating to the State Budget), under Program ID HMS 401/PE- Add funds for Ticket to Work Medicaid State Plan Services.

The Honorable Sylvia Luke  
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The Council is extremely pleased with DHS' budget request as it is evident that establishing a MBI program is supported by DHS. However, we continue to support HB 2540 HD1 as another vehicle to move forward with establishing the MBI program in the event the budget request is compromised or eliminated through the legislative process.

Thank you for the opportunity to submit testimony **in support of HB 2540 HD1.**

Sincerely,



Waynette K.Y. Cabral, MSW  
Executive Administrator



Josephine C. Woll  
Chair

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 24, 2016 3:55 PM  
**To:** FINTestimony  
**Cc:** louis@hawaiidisabilityrights.org  
**Subject:** Submitted testimony for HB2540 on Feb 25, 2016 13:00PM

**HB2540**

Submitted on: 2/24/2016

Testimony for FIN on Feb 25, 2016 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Louis Erteschik	Hawaii Disability Rights Center	Comments Only	Yes

Comments: We have long supported this program. We understand that DHS is voluntarily going to implement it. For that reason, we should focus on the Executive Budget request submitted by DHS for this purpose, while perhaps keeping this bill in place as a vehicle for discussion.

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State of Hawaii  
Hawaii House of Representatives

Committee on Finance  
The Honorable Representative Sylvia Luke, Chair  
The Honorable Representative Scott Y. Nishimoto, Vice Chair

February 25, 2016; 1:00 p.m.  
Conference Room 308  
HB 2540 HD1 Relating to Persons with Disabilities

Good afternoon, Chair Luke, Vice Chair Nishimoto, and members of the Committee on Finance.

Lanakila Pacific strongly **supports** HB 2540 HD1. Hawaii is one of only four states yet to establish a Medicaid Buy-In Program, creating a sense of urgency to offer equitable opportunities to our citizens with disabilities as other states have offered to theirs. We encourage implementation as soon as feasible.

More needs to be done to promote employment of people with disabilities. According to the U.S. Bureau of Labor Statistics, in 2014, only 17.1% of people with disabilities were employed compared to 64.6% of those without disabilities. 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.

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.

Lanakila Pacific is a 76 year old Hawaii-based non-profit organization. Our programs include employment training and job placement assistance for people with disabilities.

Thank you for the opportunity to provide testimony in support of this measure.

Respectfully submitted,

Marian E. Tsuji  
President & CEO

Mary Beth Lum  
Senior Employee Development Coordinator

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 24, 2016 1:20 PM  
**To:** FINTestimony  
**Cc:** adamcfeely@gmail.com  
**Subject:** \*Submitted testimony for HB2540 on Feb 25, 2016 13:00PM\*

**HB2540**

Submitted on: 2/24/2016

Testimony for FIN on Feb 25, 2016 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
ada mcfely	Individual	Support	No

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 23, 2016 8:44 PM  
**To:** FINTestimony  
**Cc:** alohilani7@gmail.com  
**Subject:** Submitted testimony for HB2540 on Feb 25, 2016 13:00PM

**HB2540**

Submitted on: 2/23/2016

Testimony for FIN on Feb 25, 2016 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Karen Alohilani Hue Sing	Individual	Support	No

Comments: Please Vote Yes to support those of different abilities to choose employment with the confidence of a Medicaid Buy In safety net.

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**HB2540**

Submitted on: 2/24/2016

Testimony for FIN on Feb 25, 2016 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Bathey Fong	Individual	Support	Yes

Comments: This is very important so we can work, make money and not lose our medicaid and supports.

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