

HB 2540 HD 1

Measure Title: RELATING TO PERSONS WITH DISABILITIES.

Report Title: Medicaid Buy-in Program for Workers with Disabilities (§)

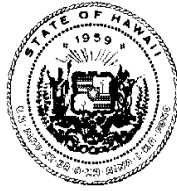
Description: Establishes within the Department of Human Services a Medicaid Buy-in Program for Workers with Disabilities. (HB2540 HD1)

Companion: [SB3082](#)

Package: None

Current Referral: HMS/CPH, WAM

Introducer(s): MCKELVEY, BELATTI, MORIKAWA, NISHIMOTO, Luke



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

March 16, 2016

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

The Honorable Roslyn H. Baker, Chair
Senate Committee on Commerce, Consumer Protection and Health

FROM: Rachael Wong, DrPH, Director

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

Hearing: Thursday, March 17, 2016, 1:35 p.m.
Conference Room 016, 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 (MBI) 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.

Also, with the passage of the Workforce Innovation and Opportunity Act of 2004, a MBI program would coincide with the national effort that supports employment opportunities for all. The national gap in the unemployment rate between persons with disabilities is double that of those without disabilities. With Hawaii's low unemployment rate, the difference is three times as high. Hawaii is one of only four states that has yet to establish a MBI program. The passage of this act will move our community forward to lower the unemployment rate for persons with disabilities.

Thank you for this opportunity to provide testimony on this bill.



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 17, 2016

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

The Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce, Consumer Protection,
and Health
Twenty-Eighth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Chun Oakland, Senator Baker, and Members of the Committees:

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. This bill represents a long-term proactive approach to encourage and support persons with disabilities to obtain, expand, and maintain their access to Medicaid benefits while being able to work and earn a living.

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.

The Honorable Suzanne Chun Oakland
The Honorable Rosalyn H. Baker
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DHS MQD submitted an Executive supplemental budget request of \$293,405 in general funds with Federal Medicaid matching funds of \$344,155 for a total of \$637,560 to implement the MBI program. The request 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 Council is extremely pleased with DHS' initiative of the supplemental budget request and respectfully ask that the Legislature continue to support the Executive budget request. 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.

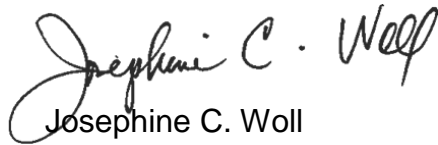
We appreciate the Legislature's involvement with the Task Force and perseverance in addressing options for individuals with disabilities to become employed and maintain their access to Medicaid.

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

Sincerely,



Waynette K.Y. Cabral, MSW
Executive Administrator



Josephine C. Woll
Chair

From: mailinglist@capitol.hawaii.gov
To: [HMS Testimony](#)
Cc: louis@hawaiidisabilityrights.org
Subject: *Submitted testimony for HB2540 on Mar 17, 2016 13:35PM*
Date: Monday, March 14, 2016 6:44:39 PM

HB2540

Submitted on: 3/14/2016

Testimony for HMS/CPH on Mar 17, 2016 13:35PM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------------------|---------------------------|---------------------------|
| Louis Erteschik | Hawaii Disability Rights Center | 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.

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March 17, 2016

To: The Honorable Chair Suzanne Chun Oakland
Senate Committee on Human Services

The Honorable Chair Rosalyn Baker
Senate Committee on Commerce, Consumer Protection, and Health

From: 'Ohana Health Plan
Wendy Morriarty, State President

Re: HB 2540, HD1, Relating to Persons with Disabilities; **In Support**
March 17, 2016; Conference Room 016

'Ohana Health Plan ('Ohana) is a member of the WellCare Health Plans, Inc.'s ("WellCare") family of companies and provides healthcare for 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. Our mission is to help our members' lead better, healthier lives.

'Ohana Health Plan offers our **strong support** of HB 2540, HD1, 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.