

SB 481

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.
Companion:	HB1236
Package:	None
Current Referral:	HSH, WAM
Introducer(s):	CHUN OAKLAND



**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES**

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

February 11, 2015

Memorandum

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

FROM: Rachael Wong, DrPH, Director

SUBJECT: S.B. 481 - RELATING TO PERSONS WITH DISABILITIES

Hearing: Thursday, February 12, 2015; 4:30 p.m.
Conference Room 016, 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
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Testimony in SUPPORT of SB 481, SD1
RELATING TO PERSONS WITH DISABILITIES

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

Hearing Date: 2-12-15

Room Number: 16

1 **Fiscal Implications:** There are no fiscal implications to the Department of Health for S.B. 481,
2 SD1.

3 **Department Testimony:** The Department of Health supports S.B. 481, SD1, Relating to
4 Persons with Disabilities. Working-aged adults with intellectual/ developmental disabilities
5 (I/DD) and Serious Mental Illness (SMI) face many challenges to become competitively
6 employed. A significant barrier often identified by individuals with SMI and I/DD and their
7 families is the risk of losing Medicaid health coverage if their earnings exceed the Medicaid
8 limits. The Working Disabled Adults Eligibility Group program proposed in S.B. 481, SD1,
9 would help address the concern by many individuals that having a job would result in loss of
10 important health benefits. This initiative would also address new federal Centers for Medicare
11 and Medicaid Services (CMS) requirements that include an increased need for employment
12 options that pay at least minimum wage. Employment opportunities will be more attractive if the
13 financial disincentive to working (i.e., the risk of losing Medicaid coverage) is alleviated by
14 expanding Medicaid eligibility for workers with disabilities.

15 DDD and AMHD are available to collaborate with MQD if the Working Disabled Adults
16 Eligibility Group program is established and funded.

17 Thank you for the opportunity to testify.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
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TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
February 12, 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: SB 481 Proposed SD1 – RELATING TO PERSONS
WITH DISABILITIES**

The State Council on Developmental Disabilities (DD) **SUPPORTS THE INTENT OF SB 481 Proposed SD1**. The bill establishes and appropriates funds for the working disabled adults eligibility group to expand access to Medicaid for workers with disabilities, and requires the Department of Human Services to implement the group by July 1, 2015.

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.

During the interim, discussions of the Task Force continued and the Department of Human Services (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.

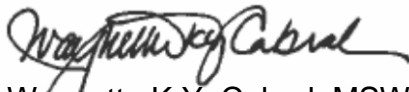
The Honorable Suzanne Chun Oakland
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February 12, 2015

In light of this outcome, we are pleased that SB 481 seeks to address expanding Medicaid eligibility for workers with disabilities similarly to DHS' initiative to amend its HAR. It is imperative that the Legislature consider a proactive approach by moving this bill forward for further discussion and action.

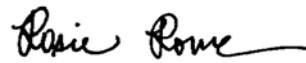
We appreciate the Legislature's involvement with the Task Force and perseverance in addressing options for individuals with disabilities to become employed and maintain their access to Medicaid.

Thank you for the opportunity to submit testimony **supporting the intent of SB 481 Proposed SD1.**

Sincerely,



Waynette K.Y. Cabral, MSW
Executive Administrator



Rosie Rowe
Chair



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Human Services and Housing

The Hon. Suzanne Chun Oakland, Chair

The Hon. Josh Green, Vice Chair

Testimony in Support of Senate Bill 481

Relating to Persons with Disabilities

Submitted by Nani Medeiros, Public Affairs and Policy Director

February 12, 2015, 4:30 pm, Room 016

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 1754, which seeks to establish and appropriate funds for a state Medicaid buy-in program. The HPCA is a strong supporter of this program, as it enables individuals with disabilities to become or further pursue employment opportunities while at the same time ensuring those individuals retain full access to needed benefits.

Thank you for the opportunity to testify.



PRESIDENT & CEO
Marian E. Tsuji

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

February 12, 2015; 4:30 p.m.

Room 016

SB 481, SD1, Relating to Persons with Disabilities

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

Lanakila Pacific **strongly supports** establishing a new Medicaid eligibility group for workers with disabilities to support employment of individuals with disabilities by expanding their access to Medicaid.

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.

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 this measure.

Respectfully submitted,

Marian E. Tsuji
President & CEO

Mary Beth Lum
Workforce Resources Manager



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February 10, 2015

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

From: 'Ohana Health Plan

Re: SB 481, Relating to Persons with Disabilities
In Support

Hearing: Thursday, February 12, 2015 at 4:30 pm
Hawai'i State Capitol, 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 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 SB 481, 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

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E-mail: info@hawaiidisabilityrights.org Website: www.hawaiidisabilityrights.org

THE SENATE THE TWENTY-EIGHTH LEGISLATURE REGULAR SESSION OF 2015

Committee on Human Services Testimony on S.B. 481, Proposed SD1 Relating to Persons With Disabilities

**Thursday, February 12, 2015, 4:30 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.