



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

March 19, 2018

TO: The Honorable Representative John Mizuno, Chair
House Committee on Health and Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2050 SD2 – RELATING TO PERSONS WITH DISABILITIES**

Hearing: Tuesday, March 20, 2018 8:30 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure, and offers comments.

PURPOSE: The purpose of the bill is to require the Department of Human Services (DHS) to implement an earned income disregard program as an intermediate step to implementing a full Medicaid buy-in program.

This is similar to SCR 8 (2017) that expressed legislative support for implementing an earned income disregard as an interim step to implementing a full Medicaid Buy-in program. The Medicaid Buy-In task force, which DHS Med-QUEST division (MQD) has participated in since its inception, has been working to implement a Medicaid Buy-In program in Hawaii. However, despite several bills to implement, the program was not funded and thus, not implemented.

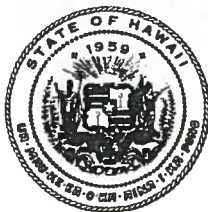
For that reason, the task force recommended taking the interim step of MQD implementing another earned income disregard that would allow individuals with disabilities to earn income and not lose their Medicaid benefits, which they would be at risk of given current Medicaid eligibility rules. While this interim program would not provide the full benefits of a Buy-in program, such as also disregarding the assets of the individual, it would

increase the amount of income an individual could earn while retaining Medicaid eligibility, which would be a positive step.

In our analyses of implementing the interim step, the primary impact would be to help current Medicaid beneficiaries to become more self-sufficient. While there may be new individuals who would gain coverage with this change, at this time the estimated increase would be covered within the projected population increases. Therefore, no additional appropriation is requested at this time.

SB2050 SD2 also has MQD reporting back on the impact of implementing the income disregard as well as annually evaluating the feasibility of implementing a full Medicaid Buy-In program. We are also encouraged to work with the University of Hawaii's Center on Disability Studies. Although this would add to the administrative requirements, it would be feasible for us to do this.

Thank you for the opportunity to provide comments on this measure.



DISABILITY AND COMMUNICATION ACCESS BOARD

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March 20, 2018

TESTIMONY TO THE HOUSE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senate Bill 2050, SD2 - Relating to Persons with Disabilities

The Disability and Communication Access Board (DCAB) supports Senate Bill 2050, SD2 which requires the Department of Human Services to implement an earned income disregard program as an intermediate step to implementing a Medicaid Buy-In program. Requires a report to the Legislature.

DCAB served as a member of the Medicaid Buy-In Task Force for many years and this bill was a recommendation from the Task Force to move forward to as an intermediate step to implementation of a full Medicaid Buy-In program. There are many individuals with disabilities in our community who want to work but are afraid to because they would lose their Medicaid benefits. This program would allow a person with a disability to work while maintaining Medicaid benefits until secure in employment. Such a program would serve to bolster the person's self-esteem while allowing them to contribute to society as a taxpayer.

This bill would be the initial step to implementing a full Medicaid Buy-In program.

Thank you for the opportunity to testify.

Respectfully submitted,

FRANCINE WAI
Executive Director



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
1010 Richards Street, Room 122
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March 19, 2018

The Honorable John M. Mizuno, Chair
House Committee on Health and Services
Twenty-Ninth Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Mizuno and Members of the Committees:

SUBJECT: SB 2050 SD2 – Relating to Persons with Disabilities

The State Council on Developmental Disabilities (DD) **SUPPORTS SB 2050 SD2**. The purpose of the bill is to require the Department of Human Services to implement an earned income disregard program as an intermediate step to implementing a Medicaid buy-in program.

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 Hawai'i'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.

In 2015, the Task Force continued to meet to discuss various options on 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.

In 2016, 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 was included in the 2016 State budget bill (HB 1700 - Relating to the State Budget), under Program ID HMS

The Honorable John M. Mizuno
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401/PE- Add funds for Ticket to Work Medicaid State Plan Services. Unfortunately, this did not transpire.

In 2017, DHS MQD was not able to implement an Earned Income Disregard program as an interim measure.

According to the National Disability Navigator Resource Collaborative, Hawai'i is one of four states without a Medicaid Buy-in program. We are in strong support of Medicaid buy-in program for the State of Hawai'i.

We appreciate the Legislature's past 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 SB 2050 SD2**.

Sincerely,



Daintry Bartoldus
Executive Administrator

SB-2050-SD-2

Submitted on: 3/16/2018 6:07:11 PM

Testimony for HHS on 3/20/2018 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Louis Erteschik	Hawaii Disability Rights Center	Support	No

Comments:

We have been part of this discussion for a decade or so at least. We served on the Medicaid Buy In Task Force and have long supported the program on the belief that it will incentivize recipients of Medicaid to work while maintaining some of the essential benefits that enable them to live successfully in the community. We were under the impression that DHS had agreed to implement the Earned Income Disregard program as an interim measure and we thought there were funds appropriated last year. We were surprised to learn that that did not occur, and we are not certain why that is so. In any event , given the history of this proposal this bill is an excellent idea.

SB-2050-SD-2

Submitted on: 3/19/2018 4:23:48 AM

Testimony for HHS on 3/20/2018 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable John M. Mizuno, Chair; the Honorable Bertrand Kobayashi, Vice-Chair and Members of the House Committee on Health & Human Services:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **SB2050 SD2** relating to Medicaid; Earned Income Disregard Program; and the Deaf and Blind Task Force.

The OCC Legislative Priorities Committee is in favor of **SB2050 SD2** and support its passage.

SB2050 SD2 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it requires the department of human services to implement an earned income disregard program as an intermediate step to implementing a medicaid buy-in program; requires reports to the legislature; and takes effect upon approval by the Centers for Medicare and Medicaid Services.

Specifically, the DPH Platform states, "We seek programs that prepare people with disabilities for independent and productive lives. We are committed to the elimination of glass ceilings that prevent women and minorities from advancing to the highest levels of government, education and business." (Platform of the DPH, P. 3, Lines 143-145 (2016)).

Given that **SB2050 SD2** requires the department of human services to implement an earned income disregard program as an intermediate step to implementing a medicaid buy-in program; requires reports to the legislature; and takes effect upon approval by the Centers for Medicare and Medicaid Services, it is the position of the OCC Legislative Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

SB-2050-SD-2

Submitted on: 3/19/2018 3:50:34 PM

Testimony for HHS on 3/20/2018 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Annie Moriyasu	Individual	Support	No

Comments:

Members of the Committee, Please pass this bill to support SB2050 establishing a Medicaid Buy-in in this state. We are WAY overdue. We are now one of the last four states in the country to have a medicaid buy-in that will help people with disabilities access to medicaid who want to work.

The other three states are in the South, please do not let Hawaii be a part of the ignorant states who would deny people with disabilities access to work and still keep their Medicaid.

Thank you!

WILLIAM M. MIHALKE

March 19, 2018

Dear Sirs and Madams:

Please pass SB 2050, with the following considerations:

- a) An earned income disregard will encourage work for persons with disabilities, which in turn, promotes healthy outcomes.
- b) The earned income disregard will give DHS the data needed to show that more people with disabilities can work if this healthcare barrier is removed, thus reducing the need for other benefits like SNAP and housing.
- c) The new program would create new taxpayers, and would reduce the need for other benefits for the individuals that utilize the program.
- d) Individuals that are working generally have better health outcomes, and in the long run cost the state less in healthcare costs.
- e) In our sister states that have Medicaid Buy-in for working persons with disabilities, and this population is already in the Medicaid system, and in the long-run, a high majority present no additional cost to the State, based on the federal data.

Thank you for your time and thoughtful deliberation on this matter.

Aloha nui loa,



William Mihalke

SB-2050-SD-2

Submitted on: 3/19/2018 4:59:41 PM

Testimony for HHS on 3/20/2018 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Darlene Ewan	Individual	Support	No

Comments:

SB-2050-SD-2

Submitted on: 3/19/2018 5:01:21 PM

Testimony for HHS on 3/20/2018 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Darlene Ewan	Aloha State Association of the Deaf	Support	No

Comments:

SB-2050-SD-2

Submitted on: 3/19/2018 7:38:41 PM

Testimony for HHS on 3/20/2018 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Yvonne de Luna	Individual	Support	No

Comments:

I strongly support the intent of the Earned Income Disregard Program as an intermediate step to implementing a Medicaid Buy-in Program, enabling individuals with disabilities to not lose their Medicaid benefits while also earning more. I believe this is not only an incentive to the pursuit of employment by individuals with disabilities but also a safeguard addressing basic needs for a vulnerable population.