



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

March 19, 2019

TO: The Honorable Representative Joy A. San Buenaventura, Chair
House Committee on Human Services and Homelessness

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 330 SD 1 – RELATING TO PERSONS WITH DISABILITIES**

Hearing: Wednesday, March 20, 2019, 8:45 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 identical to SB 2050 (2018) that required DHS to implement an earned income disregard program as an interim step to implementing a full Medicaid Buy-in program. However, it did not pass. The Medicaid Buy-In task force, which DHS Med-QUEST division (MQD) has participated in since its inception, had 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 estimated to be needed at this time.

SB330 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.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
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March 20, 2019

The Honorable Representative Joy A. San Buenaventura, Chair
House Committee on Human Services and Homelessness
Thirtieth Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative San Buenaventura and Members of the Committee:

SUBJECT: SB 330 SD1 - Relating to an earned income disregard program

The State Council on Developmental Disabilities **STRONGLY SUPPORTS SB 330 SD1**. The bill 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. Takes effect upon approval by the Centers for Medicare and Medicaid Services.

Act 200, Session Laws of Hawaii 2012, established a joint legislative Task Force to assist the Legislature in exploring the development and possible implementation of a Medicaid Buy-In (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 Council is a member of the Task Force and actively engaged in discussions on establishing and implementing an MBI Program for individuals with disabilities.

For six years following the passing of Act 200, the Task Force meetings were convened and a recommendation, that is considered a feasible and practical option as an interim step to implement a full MBI Program, was recommended by the Department of Human Services (DHS) to implement an Earned Income Disregard Program for workers with disabilities. The Council strongly supports this option as an interim mechanism, as it was fully supported as a workable option by DHS.

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

Thank you for the opportunity to submit testimony in **strong support of SB330 SD1**.

Sincerely,

Daintry Bartoldus
Executive Administrator

SB-330-SD-1

Submitted on: 3/15/2019 5:41:37 PM

Testimony for HSH on 3/20/2019 8:45:00 AM

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

Comments:

SB-330-SD-1

Submitted on: 3/17/2019 8:13:01 PM

Testimony for HSH on 3/20/2019 8:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Self Advocates	Hawaii Self Advocates Advisory Council	Support	Yes

Comments:

My name is Timothy Renken and I am the President of the Hawaii Self Advocacy Advisory Council, otherwise known as SAAC. We have over 200 members statewide. Our members represent individuals with disabilities and we are in **strong support of SB330 SD1** for an income disregard program as a beginning step towards the Medicaid buy in.

SB-330-SD-1

Submitted on: 3/17/2019 8:13:26 PM

Testimony for HSH on 3/20/2019 8:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joshua Lloreta	Individual	Support	No

Comments: