
A BILL FOR AN ACT

RELATING TO PERSONS WITH DISABILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Act 200, Session
2 Laws of Hawaii 2012, established a joint legislative task force
3 to explore the possibility of implementing a medicaid buy-in
4 program for individuals with disabilities based upon Hawaii's
5 current medicaid income and asset limits and subject to approval
6 of the federal Centers for Medicare and Medicaid Services. The
7 legislature notes that a significant portion of the population
8 in Hawaii receives federal or state benefits for disabling
9 conditions. Moreover, current state programs and policies,
10 including state-designed medicaid waiver programs, create
11 disincentives for persons with disabilities to become employed,
12 maintain employment, or increase their employment income.

13 The legislature also finds that it is advantageous for
14 economic development in the State and in the best interests of
15 Hawaii's citizens with disabilities to establish programs and
16 policies that encourage employment. It is the intent of the
17 legislature that all state agencies work with citizens to



1 identify and remove barriers to employment for persons with
2 disabilities. Adults with disabilities need adequate health
3 insurance, but options for insurance coverage are limited, even
4 with the provisions of the federal Patient Protection and
5 Affordable Care Act.

6 The legislature further finds that due to the scope and
7 complexity of establishing a medicaid buy-in program,
8 implementing an earned income disregard program as an interim
9 solution will allow certain individuals with disabilities to
10 earn income and not lose their medicaid benefits.

11 The purpose of this Act is to encourage individuals with
12 disabilities to gain employment and improve their employment
13 opportunities by requiring the department of human services to
14 implement an earned income disregard program as an intermediate
15 step to implementing a full medicaid buy-in program.

16 SECTION 2. (a) The department of human services shall
17 allow an earned income disregard of one hundred thirty-eight per
18 cent of the federal poverty level for people with disabilities
19 who are between the ages of sixteen and sixty-four, or a method
20 of similar intent, when determining eligibility for medicaid.



1 (b) The department may adopt or amend its administrative
2 rules in accordance with chapter 91, Hawaii Revised Statutes, as
3 necessary to implement this Act.

4 (c) The department shall evaluate the earned income
5 disregard program at least annually and assess whether, when,
6 and how a full medicaid buy-in program may be implemented.

7 (d) The department shall submit a report to the
8 legislature no later than twenty days prior to the convening of
9 the regular sessions of 2020, 2021, and 2022, providing an
10 update on the earned income disregard program and the viability
11 of implementing a full medicaid buy-in program. The report
12 shall include the department's findings, recommendations, and
13 any proposed legislation and identify resources needed to
14 implement a full medicaid buy-in program.

15 (e) The department is encouraged to collaborate with the
16 university of Hawaii center on disability studies for technical
17 assistance and program evaluation.

18 SECTION 3. This Act shall take effect on January 1, 2059;
19 provided that the earned income disregard program established in
20 section 2 of this Act shall take effect upon approval by the
21 Centers for Medicare and Medicaid Services.



Report Title:

DHS; Persons with Disabilities; Medicaid; Earned Income
Disregard Program

Description:

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. (HB219 HD1)

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