



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

February 12, 2019

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

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 219 – RELATING TO PERSONS WITH DISABILITIES**

Hearing: February 14, 2019 8:30 a.m.
Conference Room 312, 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 bill is identical to SB 2050 (2018) that proposed that DHS implement an earned income disregard program as an interim step to implementing a full Medicaid Buy-in program. However, it was not scheduled for hearing by the House Committee on Finance.

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.

The measure also requires MQD to report 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.

HB-219

Submitted on: 2/11/2019 6:07:17 PM

Testimony for HSH on 2/14/2019 9:00:00 AM

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

Comments:

HB-219

Submitted on: 2/13/2019 7:13:15 AM

Testimony for HSH on 2/14/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---|---------------------------|---------------------------|
| Melodie Aduja | O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i | Support | No |

Comments: