



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
February 2, 2023

The Honorable Representative. John Mizuno, Chair
House Committee on Human Services
The Thirty-Second Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Mizuno and Committee Members:

SUBJECT: HB1416 RELATING TO MEDICAID.

The Hawaii State Council on Developmental Disabilities **SUPPORTS HB1416**, which requires the department of human services to adopt rules to remove the \$2,000-per-individual asset limit for eligibility for assistance under the Med-QUEST program. Requires a report to legislature.

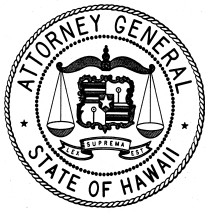
Removing the \$2,000 asset limit would allow more security for beneficiaries who may have their health care insurance removed upon receiving above the asset limit due to unforeseen circumstances. This measure follows the precedent of removing asset limits in federal Medicare expansion, and ensures beneficiaries are allowed to build savings to support long-term health. Which would positively impact individuals with intellectual and developmental disabilities. In addition, removing the asset limit will save valuable Department of Human Service eligibility workers time as they will not have to routinely check an individual's asset limit then do the cumbersome paperwork to withdraw a person from the Med-QUEST program, to only redo the paperwork to reinstate the individual once they spent down their assets to below \$2,000.

We believe removing the asset limit will not over crowd the Med-QUEST program as there are still income restrictions on those who can qualify. However, if the Department of Human Services shows it will sharply increase initial Med-QUEST eligibility, we humbly request that the removal of the \$2,000-per-individual asset limit be applied to those individuals' seeking renewal or continuation of their Med-QUEST program.

Thank you for this opportunity to submit testimony in **support of HB1416**.

Sincerely,

Daintry Bartoldus
Executive Administrator



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

H.B. NO. 1416, RELATING TO MEDICAID.

BEFORE THE:

HOUSE COMMITTEE ON HUMAN SERVICES

DATE: Thursday, February 2, 2023 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Erin N. Lau or Lili A. Young, Deputy Attorneys General

Chair Mizuno and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill requires the Department of Human Services (DHS) to adopt rules to remove the \$2,000-per-individual asset limit for eligibility for the medical assistance program and submit a report to the Legislature regarding the effects of the removal of the eligibility asset limit.

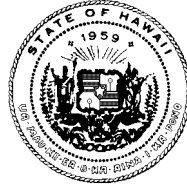
Federal regulations require that the DHS submit a state plan amendment and receive approval from the Centers for Medicare and Medicaid Services (CMS) prior to modifying the individual asset limit for eligibility. See 42 Code of Federal Regulations §435.601. If CMS does not approve the state plan amendment, the DHS will not be able to adopt the rules and the report would not contain the information sought by the bill.

The Department recommends that the bill be revised so that the adoption of the rules by DHS is contingent on CMS' approval of a state plan amendment. Specifically, section 2 could be amended to read as follows:

By January 1, 2025, the department of human services shall, contingent on the approval of the Hawaii state plan amendment by the Centers for Medicare and Medicaid Services, adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to remove the \$2,000-per-individual asset limit for eligibility for assistance under the med-QUEST program.

We respectfully ask the Committee to consider the recommended amendments.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 1, 2023

TO: The Honorable Representative John M. Mizuno, Chair
House Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **HB 1416 – RELATING TO MEDICAID.**

Hearing: February 2, 2023, 9:00 a.m.
Conference Room 329 & Videoconferencing, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) offers comments and requests an amendment. DHS requests that any appropriation not reduce or displace budget priorities identified in the executive budget measure and forthcoming Governor's Messages.

PURPOSE: The purpose of the bill is to require the Department of Human Services to adopt rules to remove the \$2,000-per-individual asset limit for eligibility for assistance under the Med-QUEST program. Requires a report to the Legislature.

DHS offers comments on HB 1416. Of the 460,000 residents covered by Hawaii's Medicaid program, 14%, or approximately 64,000 individuals in the Aged, Blind or Disabled coverage groups, are subject to the \$2,000 asset limit. Of the remaining 86% of Medicaid enrollees, there are no asset tests. The latter groups are non-disabled adults up to age 65, pregnant women, and children. Asset tests for the latter group were eliminated with the passage of the Affordable Care Act of 2010, whereas no such changes were made for the Aged, Blind or Disabled coverage groups.

As drafted, this bill does not allow us the time to gain approval from the Centers for Medicare and Medicaid Services (CMS). The federal rules regarding asset tests require us to get federal approval to modify the asset test limit before implementation. Further, if we do not have CMS approval, any expenditure to cover the additional costs of the individuals for which no asset test was applied would be paid for using state general funds only. Therefore, we respectfully request an amendment to allow for the federal review process and include a provision that conditions implementation soon after obtaining federal approval.

Finally, we request a general fund appropriation to cover the costs for the additional new people covered. The bill assumes that there will be administrative savings to our program by eliminating the asset test. However, our primary administrative costs are our eligibility staff. It is unlikely that the elimination of the asset test alone would reduce the workload enough to lay off eligibility staff that would offset the expected increase in the number of people who would newly qualify for the Age, Blind and Disabled coverage groups.

Additionally, although the Aged, Blind, and Disabled population make up a relatively small proportion of the overall Medicaid population, their costs are significantly higher than other coverage groups - *eight times* greater than those of children and *four times* as much as the other adults. While we do not have an estimate of the increased number of people who may qualify, even a relatively modest increase in enrollees would result in a significant increase in cost. For example, a 10 percent increase in the number of people covered would result in an increase of \$115M with federal approval and require a \$52M state general fund contribution as part of the \$115M. Without an appropriation, MQD would need to make cuts to the program by either cutting reimbursement rates, benefits, or the numbers served.

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

HB-1416

Submitted on: 1/31/2023 9:42:55 AM

Testimony for HUS on 2/2/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaili	Individual	Support	In Person

Comments:

People need to save money they should not be panishment for it thank you.