

STAND. COM. REP. NO.

147

Honolulu, Hawaii

FEB 07 , 2023

RE: H.B. No. 1416
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 1416 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

begs leave to report as follows:

The purpose of this measure 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 Department's Med-QUEST program.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities and one individual. Your Committee received comments on this measure from the Department of the Attorney General and Department of Human Services.

Your Committee finds that the \$2,000-per-individual asset limit for eligibility for assistance under the Med-QUEST program works to hold back struggling residents and families by discouraging them from increasing their savings; forcing them to sacrifice long-term economic security and mobility; and preventing them from building a financial safety net for themselves when they fall on hard times. Your Committee further finds that although asset limits were initially implemented to ensure Medicaid's availability to those truly in need of assistance, federal

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requirements for asset limits were removed when Medicaid was expanded under the federal Patient Protection and Affordable Care Act. This measure is intended to ensure the State's Med-QUEST population can establish a financial safety net without fear of losing access to their health care.

The Department of Human Services testified before your Committee that the federal rules regarding the Medicaid program's asset test limits require federal approval to modify the Med-QUEST asset test limit before implementation. Your Committee notes the Department's concerns that this measure, as drafted, does not allow the Department sufficient time to gain the necessary approval from the Centers for Medicare and Medicaid Services. Failure to gain this approval prior to implementation would also require state general funds to cover the additional costs of individuals for whom no asset test was applied.

Therefore, your Committee has amended this measure by:

- (1) Specifying that the required adoption of rules by the Department of Human Services proposed by this measure is contingent on the approval of the Hawaii State Plan amendment by the Centers for Medicare and Medicaid Services;
- (2) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1416, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Human Services,



JOHN M. MIZUNO, Chair



