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## A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1           SECTION 1. The legislature finds that to initially qualify  
2 and then maintain eligibility for coverage under the med-QUEST  
3 program administered by the department of human services, an  
4 individual generally cannot have more than \$2,000 in liquid  
5 assets. If a med-QUEST patient saves over \$2,000 in liquid  
6 assets, the patient's medical insurance can be suspended.  
7 Losing access to health care interferes with an individual's  
8 continuity of care, which could force the individual to seek  
9 alternate care modalities. The legislature also finds that  
10 states that have eliminated asset limits have found that the  
11 resulting administrative cost savings significantly outweighed  
12 any increase in the number of individuals receiving medicaid  
13 benefits.

14           The legislature further finds that asset limit requirements  
15 were established as a safeguard to ensure medicaid's  
16 availability to those truly in need of assistance. When  
17 medicaid was expanded under the Patient Protection and



1 Affordable Care Act, the federal requirements for asset limits  
2 were removed.

3 The legislature additionally finds that removing liquid  
4 asset limits would decrease the amount of time that staff at the  
5 department of human services need to spend reviewing med-QUEST  
6 applications, such as verifying bank account balances and the  
7 cash value of life insurance policies, and would lead to faster  
8 delivery of assistance to those who need it.

9 Moreover, the legislature finds that limits on liquid  
10 assets work to hold back struggling residents and families by  
11 discouraging them from increasing their savings; forcing them to  
12 sacrifice long-term economic security and mobility; and  
13 preventing them from building a financial safety net for  
14 themselves when they fall on hard times.

15 In addition, the legislature finds that asset limits can  
16 also prevent middle-income families from seeking needed  
17 assistance in the event of an unexpected economic downturn.  
18 Savings help protect against unforeseen expenses. Without  
19 sufficient savings, individuals who encounter a financial  
20 setback may face eviction, be forced to skip meals or



1 medication, be unable to repair their vehicle, or experience  
2 having their electrical service ended.

3       The legislature further finds that removing the liquid  
4 asset limit for med-QUEST eligibility would help recipients  
5 develop a financial safety net and attain greater economic  
6 independence. Therefore, the purpose of this Act is to require  
7 the department of human services to adopt rules to remove the  
8 \$2,000-per-individual asset limit for eligibility for assistance  
9 under the med-QUEST program.

10       SECTION 2. (a) By January 1, 2025, the department of  
11 human services shall adopt rules pursuant to chapter 91, Hawaii  
12 Revised Statutes, to remove the \$2,000-per-individual asset  
13 limit for eligibility for assistance under the med-QUEST  
14 program.

15       (b) No later than twenty days before the convening of the  
16 regular session of 2026, the department of human services shall  
17 submit to the legislature a report regarding the effects of the  
18 removal of the \$2,000-per-individual asset limit for eligibility  
19 for assistance under the med-QUEST program, including:



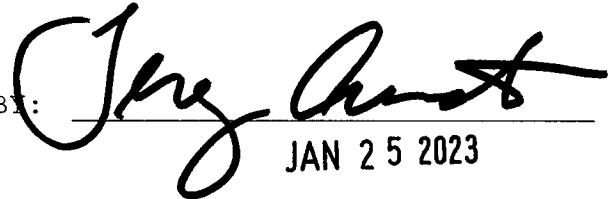
- 1 (1) Whether there has been a significant increase in the
- 2 number of individuals applying and qualifying for
- 3 medical assistance under the med-QUEST program;
- 4 (2) Whether the administrative cost savings significantly
- 5 outweigh any increase in the number of individuals
- 6 receiving med-QUEST benefits; and
- 7 (3) Any other benefits or detriments of removing the asset
- 8 limit.

9 SECTION 3. This Act does not affect rights and duties that  
10 matured, penalties that were incurred, and proceedings that were  
11 begun before its effective date.

12 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

  
JAN 25 2023



# H.B. NO. 1416

**Report Title:**

Med-QUEST; Eligibility; Asset Limit; Elimination

**Description:**

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.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

