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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 purpose of this Act is to provide medicaid  
2 coverage for those with limited incomes without requiring them  
3 to become impoverished. Presently, a medically needy recipient  
4 who earns \$1 more than the income eligibility level for medicaid  
5 coverage must spend down that income not to the income  
6 eligibility level, but to the lower standard of assistance. The  
7 purpose of this Act is to modify this unfair practice and only  
8 require a medically needy recipient to spend down the person's  
9 income to the income eligibility level.

10           SECTION 2. Section 346-14, Hawaii Revised Statutes, is  
11 amended to read as follows:

12           "**§346-14 Duties generally.** Except as otherwise provided  
13 by law, the department of human services shall:

14           (1) Establish and administer programs and standards, and  
15           adopt rules as deemed necessary, for all public  
16           assistance programs;

17           (2) Establish, extend, and strengthen services for the  
18           protection and care of abused or neglected children



1 and children in danger of becoming delinquent to make  
2 paramount the safety and health of children who have  
3 been harmed or are in life circumstances that threaten  
4 harm;

5 (3) Establish and administer programs, and adopt rules as  
6 deemed necessary, for the prevention of domestic and  
7 sexual violence and the protection and treatment of  
8 victims of domestic and sexual violence;

9 (4) Assist in preventing family breakdown;

10 (5) Place, or cooperate in placing, abused or neglected  
11 children in suitable private homes or institutions and  
12 place, or cooperate in placing, children in suitable  
13 adoptive homes;

14 (6) Have authority to establish, maintain, and operate  
15 receiving homes for the temporary care and custody of  
16 abused or neglected children until suitable plans are  
17 made for their care; and accept from the police and  
18 other agencies, for temporary care and custody, any  
19 abused or neglected child until satisfactory plans are  
20 made for the child;

21 (7) Administer the medical assistance programs for  
22 eligible public welfare and other medically needy



1 individuals by establishing standards, eligibility,  
2 and health care participation rules, payment  
3 methodologies, reimbursement allowances, systems to  
4 monitor recipient and provider compliance, and  
5 assuring compliance with federal requirements to  
6 maximize federal financial participation;

7 (8) Cooperate with the federal government in carrying out  
8 the purposes of the Social Security Act and in other  
9 matters of mutual concern pertaining to public  
10 welfare, public assistance, and child welfare  
11 services, including the making of reports, the  
12 adoption of methods of administration, and the making  
13 of rules as are found by the federal government, or  
14 any properly constituted authority thereunder, to be  
15 necessary or desirable for the efficient operation of  
16 the plans for public welfare, assistance, and child  
17 welfare services or as may be necessary or desirable  
18 for the receipt of financial assistance from the  
19 federal government;

20 (9) Carry on research and compile statistics relative to  
21 public and private welfare activities throughout the



- 1 State, including those dealing with dependence,  
2 defectiveness, delinquency, and related problems;
- 3 (10) Develop plans in cooperation with other public and  
4 private agencies for the prevention and treatment of  
5 conditions giving rise to public welfare problems;
- 6 (11) Adopt rules governing the procedure in hearings,  
7 investigations, recording, registration, determination  
8 of allowances, and accounting and conduct other  
9 activities as may be necessary or proper to carry out  
10 this chapter;
- 11 (12) Supervise or administer any other activities  
12 authorized or required by this chapter, including the  
13 development of the staff of the department through in-  
14 service training and educational leave to attend  
15 schools and other appropriate measures, and any other  
16 activities placed under the jurisdiction of the  
17 department by any other law;
- 18 (13) Make, prescribe, and enforce policies and rules  
19 governing the activities provided for in section 346-  
20 31 it deems advisable, including the allocation of  
21 moneys available for assistance to persons assigned to  
22 work projects among the several counties or to



1 particular projects where the apportionment has not  
2 been made pursuant to other provisions of law, if any,  
3 governing expenditures of the funds;

4 (14) Determine the appropriate level for the Hawaii  
5 security net, by developing a tracking and monitoring  
6 system to determine what segments of the population  
7 are not able to afford the basic necessities of life,  
8 and advise the legislature annually regarding the  
9 resources required to maintain the security net at the  
10 appropriate level;

11 (15) Subject to the appropriation of state funds and  
12 availability of federal matching assistance, expand  
13 optional health care to low-income persons as follows:

14 (A) Pregnant women and infants under one year of age  
15 living in families with incomes up to one hundred  
16 eighty-five per cent of the federal poverty level  
17 and without any asset restrictions;

18 (B) Children under six years of age living in  
19 families with incomes up to one hundred thirty-  
20 three per cent of the federal poverty level and  
21 without any asset restrictions;



- 1 (C) Older children to the extent permitted under
- 2 optional federal medicaid rules;
- 3 (D) Elder persons;
- 4 (E) Aliens;
- 5 (F) The homeless; and
- 6 (G) Other handicapped and medically needy persons;
- 7 and

8 (16) Subject to the appropriation of state funds and  
 9 availability of federal matching assistance, establish  
 10 the income eligibility level for the medically needy  
 11 program at one hundred thirty-three per cent of the  
 12 assistance allowance. In determining eligibility  
 13 under this section, the department shall disregard an  
 14 amount of income equal to the difference between one  
 15 hundred thirty-three per cent of the assistance  
 16 allowance and one hundred per cent of the federal  
 17 poverty level, as adjusted annually by the federal  
 18 government, for the size of the family applying for  
 19 assistance."

20 SECTION 3. There is appropriated out of the general  
 21 revenues of the State of Hawaii the sum of \$ , or so much  
 22 thereof as may be necessary for fiscal year 2007-2008, and the



1 same sum, or so much thereof as may be necessary for fiscal year  
2 2008-2009, for the medically needy program.

3 The sums appropriated shall be expended by the department  
4 of human services for the purposes of this Act.

5 SECTION 4. New statutory material is underscored.

6 SECTION 5. This Act shall take effect on July 1, 2007.

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INTRODUCED BY: Marilyn L.

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**Report Title:**

Medicaid; Cost Share Program

**Description:**

Requires the medically needy program to disregard an amount of income in determining eligibility for the program.

