

JAN 17 2014

A BILL FOR AN ACT

RELATING TO PERSONS WITH DISABILITIES.

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

1 SECTION 1. The legislature finds that Act 200, Session
2 Laws of Hawaii 2012, established a joint legislative task force
3 to explore the possibility of implementing a medicaid buy-in
4 program for individuals with disabilities who are either not
5 working or currently working and would like to earn more income,
6 based upon Hawaii's current medicaid income and asset limits,
7 subject to approval of the federal Centers for Medicare and
8 Medicaid Services. The legislature notes that a significant
9 portion of the population in Hawaii receives federal or state
10 benefits because of disabling conditions. Additionally, current
11 state programs and policies, including state-designed medicaid
12 waiver programs, create disincentives for persons with
13 disabilities to become employed, maintain employment, or
14 increase their employment income.

15 The legislature also finds that from 2005 through 2012,
16 Hawaii was the recipient of a grant from the federal Centers for
17 Medicare and Medicaid Services for the development of a medicaid
18 infrastructure program to design and implement a medicaid buy-in



1 program for individuals with disabilities who are employed or
2 desire to become employed and purchase medicaid coverage
3 authorized under the Ticket to Work and Work Incentives
4 Improvement Act of 1999 (P.L. 106-170). Prior to 1999, other
5 potential federal options for the creation of a medicaid buy-in
6 program included the 1997 Balanced Budget Act and a waiver
7 pursuant to title 32 United States Code section 1115, the Social
8 Security Act.

9 The legislature further finds that it is advantageous to
10 economic development of the State and in the best interests of
11 Hawaii's citizens with disabilities to establish programs and
12 policies that encourage employment. It is the intent of the
13 legislature that all state agencies work with citizens to
14 identify and remove barriers to employment for persons with
15 disabilities. Adults with disabilities need adequate health
16 insurance, but options for insurance coverage are limited, even
17 with the federal Patient Protection and Affordable Care Act.

18 The purpose of this Act is to encourage individuals with
19 disabilities to gain employment by establishing a medicaid buy-
20 in program for individuals with disabilities.



1 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§346- Medicaid buy-in program; disabled workers (a)

5 There is established within the department of human services the
6 medicaid buy-in program for workers with disabilities. The
7 purpose of the medicaid buy-in program for workers with
8 disabilities is to provide health care services to eligible
9 individuals who:

10 (1) Currently receive Medquest benefit services;

11 (2) Are employed or desire to become employed; and

12 (3) Currently have a disability.

13 (b) To qualify for the medicaid buy-in program for workers
14 with disabilities, a person shall:

15 (1) Be a resident of the State;

16 (2) Be at least eighteen years of age;

17 (3) Have a disability, as defined by the Social Security
18 Administration;

19 (4) Be gainfully employed, including part-time or full-
20 time work; provided that the employment shall be
21 verified by the department;



1 (5) Have a gross income that does not exceed three hundred
2 per cent of the federal poverty level;

3 (6) Not be disqualified for having assets above any
4 allowable limits that may be established under
5 Medquest; and

6 (7) Pay a monthly premium of up to ten per cent of
7 earnings for earnings in excess of one hundred thirty-
8 eight per cent of the federal poverty level, using the
9 Social Security Administration's counting method and
10 as determined by the department, pursuant to
11 administrative rules.

12 (c) Enrollment in the medicaid buy-in program for workers
13 with disabilities shall be limited to two hundred participants.
14 The program shall be evaluated periodically by the department
15 with the assistance of the University of Hawaii.

16 (d) The department may require a person participating in
17 the medicaid buy-in program for workers with disabilities to pay
18 a premium or other cost-sharing charges in a manner that is
19 consistent with federal law.

20 (e) For purposes of this section, "medicaid buy-in program
21 for disabled workers" means a program that provides health care
22 services through Medquest for individuals with disabilities who



1 are employed and earning more than the allowable limits under
2 current Medquest eligibility guidelines.

3 (f) The department shall adopt rules pursuant to chapter
4 91 necessary for the purposes of this section."

5 SECTION 3. The department of human services shall
6 implement the medicaid buy-in program for workers with
7 disabilities no later than July 1, 2017.

8 SECTION 4. The department of human services, with the
9 assistance of the University of Hawaii center on disabilities,
10 shall submit a report to the legislature no later than twenty
11 days prior to the convening of the regular session of 2015,
12 detailing its progress in implementing the medicaid buy-in
13 program for workers with disabilities. The report shall also
14 include any proposed recommendations or legislation for the
15 medicaid buy-in program for workers with disabilities.

16 SECTION 5. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2014-2015 to
19 establish the medicaid buy-in program for workers with
20 disabilities and for disability benefits and work incentives
21 education and planning associated with the program.



1 The sum appropriated shall be expended by the department of
2 human services for the purposes of this Act.

3 SECTION 6. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$165,000 or so much
5 thereof as may be necessary for fiscal year 2014-2015 for the
6 department of human services, with the assistance of the
7 University of Hawaii center on disability studies, to prepare,
8 evaluate the progress of, and conduct outreach and training
9 programs relating to the medicaid buy-in program for workers
10 with disabilities.

11 The sum appropriated shall be expended by the department of
12 human services for the purposes of this Act.

13 SECTION 7. New statutory material is underscored.

14 SECTION 8. This Act shall take effect on July 1, 2014.

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S.B. NO. 2525

Report Title:

Medicaid Buy-in Program for Workers with Disabilities;
Appropriation

Description:

Establishes and appropriates funds for the medicaid buy-in program for workers with disabilities. Effective 7/1/14.

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