



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 25, 2018

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2050 SD1 – RELATING TO PERSONS WITH DISABILITIES**

Hearing: Wednesday, February 28, 2018 11:00 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this measure, and offers comments.

**PURPOSE:** The purpose of the bill is to require the Department of Human Services (DHS) to implement an earned income disregard program as an intermediate step to implementing a full Medicaid buy-in program.

This is similar to SCR 8 (2017) that expressed legislative support for implementing an earned income disregard as an interim step to implementing a full Medicaid Buy-in program. The Medicaid Buy-In task force, which DHS Med-QUEST division (MQD) has participated in since its inception, has been working to implement a Medicaid Buy-In program in Hawaii. However, despite several bills to implement, the program was not funded and thus, not implemented.

For that reason, the task force recommended taking the interim step of MQD implementing another earned income disregard that would allow individuals with disabilities to earn income and not lose their Medicaid benefits, which they would be at risk of given current Medicaid eligibility rules. While this interim program would not provide the full benefits of a Buy-in program, such as also disregarding the assets of the individual, it would

increase the amount of income an individual could earn while retaining Medicaid eligibility, which would be a positive step.

In our analyses of implementing the interim step, the primary impact would be to help current Medicaid beneficiaries to become more self-sufficient. While there may be new individuals who would gain coverage with this change, at this time the estimated increase would be covered within the projected population increases. Therefore, no additional appropriation is requested at this time.

SB2050 SD1 also has MQD reporting back on the impact of implementing the income disregard as well as annually evaluating the feasibility of implementing a full Medicaid Buy-In program. We are also encouraged to work with the University of Hawaii's Center on Disability Studies. Although this would add to the administrative requirements, it would be feasible for us to do this.

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



**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 28, 2018

The Honorable Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means  
Twenty-Ninth Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Senator Dela Cruz and Members of the Committees:

SUBJECT: SB 2050 SD1 – Relating to Persons with Disabilities

The State Council on Developmental Disabilities (DD) **SUPPORTS SB 2050 SD1**. The purpose of the bill is to require the Department of Human Services to implement an earned income disregard program as an intermediate step to implementing a Medicaid buy-in program.

Act 200, Session Laws of Hawaii 2012, established a joint legislative Task Force to assist in exploring the development and possible implementation of a MBI program for working individuals with disabilities based on Hawai'i's current Medicaid income and asset limits subject to approval by the Federal Centers for Medicare and Medicaid Services. The Task Force was convened by Senator Suzanne Chun Oakland and the late Representative Mele Carroll. The Council is a member of the Task Force and has been engaged in discussions on establishing and implementing a MBI program for individuals with disabilities. The Task Force was in general agreement that the MBI program was a viable option to pursue to enable workers with disabilities to be employed while protecting them from losing their medical benefits and supports.

In 2015 the Task Force continued to meet to discuss various options to implementing a MBI program. One option that the Task Force fully supported and encouraged was for the DHS Med-QUEST Division (MQD) to submit a budget request for funds to start the MBI program.

In 2016, DHS MQD submitted an Executive supplemental budget request of \$293,405 in general funds with Federal Medicaid matching funds of \$344,155 for a total of \$637,560 to implement the MBI program. The request was included in the 2016 State budget bill (HB 1700 - Relating to the State Budget), under Program ID HMS 401/PE- Add funds for Ticket to Work Medicaid State Plan Services. Unfortunately, this did not transpire.

The Honorable Donovan M. Dela Cruz  
Page 2  
February 28, 2018

In 2017, DHS MQD was not able to implement an Earned Income Disregard program as an interim measure.

According to the National Disability Navigator Resource Collaborative, Hawai'i is one of four states without a Medicaid Buy-in program. We are in strong support of Medicaid buy-in program for the State of Hawai'i.

We appreciate the Legislature's past involvement with the Task Force and perseverance in addressing options for individuals with disabilities to become employed and maintain their access to Medicaid.

Thank you for the opportunity to submit testimony in **support of SB 2050 SD1**.

Sincerely,



Daintry Bartoldus  
Executive Administrator



## DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813  
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • TTY (808) 586-8162

February 28, 2018

### TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

#### Senate Bill 2050, SD1 - Relating to Persons with Disabilities

The Disability and Communication Access Board (DCAB) supports Senate Bill 2050, SD1 which requires the Department of Human Services to implement an earned income disregard program as an intermediate step to implementing a Medicaid Buy-In program. Requires a report to the Legislature.

DCAB served as a member of the Medicaid Buy-In Task Force for many years and this bill was a recommendation by the Task Force to move forward as an intermediate step to implementation of a full Medicaid Buy-In program. There are many individuals with disabilities in our community who want to work but are afraid to because they would lose their Medicaid benefits. This program would allow a person with a disability to work while maintaining Medicaid benefits until secure in employment. Such a program would serve to bolster the person's self-esteem while allowing them to contribute to society as a taxpayer.

This bill would be the initial step to implementing a full Medicaid Buy-In program.

Thank you for the opportunity to testify.

Respectfully submitted,

FRANCINE WAI  
Executive Director

**SB-2050-SD-1**

Submitted on: 2/22/2018 4:54:02 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Louis Erteschik	Testifying for Hawaii Disability Rights Center	Support	No

Comments:

**SB-2050-SD-1**

Submitted on: 2/26/2018 12:03:52 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

**PRESENTATION OF THE  
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES  
DEMOCRATIC PARTY OF HAWAI'I**

TO THE COMMITTEE ON WAYS AND MEANS

THE SENATE

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Wednesday, February 28, 2018

11:00 A.M.

Hawaii State Capitol, Conference Room 211

RE: Testimony in Support of **SB2027 SD1**, RELATING TO PERSONS WITH DISABILITIES

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair, and Members of the Committee on Finance:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on Senate Bill No.**2050 SD1**, relating to Medicaid; Earned Income Disregard Program; and the Deaf and Blind Task Force .

The OCC Legislative Priorities Committee is in favor of Senate Bill No. **2050 SD1** and support its passage.

Senate Bill No. **2050 SD1**, is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it requires the department of human services to implement an earned income disregard program as an intermediate step to implementing a medicaid buy-in program; requires reports to the legislature; and takes effect upon approval by the governor and Centers for Medicare and Medicaid Services.

Specifically, the DPH Platform states, "We seek programs that prepare people with disabilities for independent and productive lives. We are committed to the elimination of glass ceilings that prevent women and minorities from advancing to the highest levels of government, education and business." (Platform of the DPH, P. 3, Lines 143-145 (2016)).

Given that Senate Bill No. **2050 SD1** requires the department of human services to implement an earned income disregard program as an intermediate step to implementing a medicaid buy-in program; requires reports to the legislature; and takes effect upon approval by the governor and Centers for Medicare and Medicaid Services, it is the position of the OCC Legislative Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889



**SB-2050-SD-1**

Submitted on: 2/23/2018 3:16:48 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Abigail George	Individual	Support	No

Comments:

**SB-2050-SD-1**

Submitted on: 2/23/2018 3:16:16 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kristine Omura	Individual	Support	No

Comments: