
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.

7 Therefore, the purpose of this Act is to require the
8 department of human services to adopt rules, contingent on the
9 approval of the Hawaii state plan amendment by the Centers for
10 Medicare and Medicaid Services, to remove the \$2,000-per-
11 individual asset limit for eligibility for assistance under the
12 med-QUEST program.

13 SECTION 2. (a) By January 1, 2025, the department of
14 human services shall, contingent on the approval of the Hawaii
15 state plan amendment by the Centers for Medicare and Medicaid
16 Services, adopt rules pursuant to chapter 91, Hawaii Revised
17 Statutes, to remove the \$2,000-per-individual asset limit for
18 eligibility for assistance under the med-QUEST program.

19 (b) No later than twenty days before the convening of the
20 regular session of 2026, the department of human services shall
21 submit to the legislature a report regarding the effects of the



1 removal of the \$2,000-per-individual asset limit for eligibility
2 for assistance under the med-QUEST program, including:

3 (1) Whether there has been a significant increase in the
4 number of individuals applying and qualifying for
5 medical assistance under the med-QUEST program;

6 (2) Whether the administrative cost savings significantly
7 outweigh any increase in the number of individuals
8 receiving med-QUEST benefits; and

9 (3) Any other benefits or detriments of removing the asset
10 limit.

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

14 SECTION 4. This Act shall take effect on June 30, 3000.



H.B. NO. 1416 H.D. 1

Report Title:

Med-QUEST; DHS; Eligibility; Asset Limit; Elimination

Description:

Requires the department of human services to adopt rules, contingent on the approval of the Hawaii state plan amendment by the Centers for Medicare and Medicaid Services, to remove the \$2,000-per-individual asset limit for eligibility for assistance under the med-QUEST program. Requires a report to legislature. Effective 6/30/3000. (HD1)

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