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February 9, 2025

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 451– RELATING TO PERSONS WITH DISABILITIES.**

Hearing: Monday, February 10, 2025, Time 1:20 p.m.
Conference Room 225 & Via Videoconference, State Capitol

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

PURPOSE: The purpose of this bill is to require the Department of Human Services to establish a Medicaid buy-in program for workers with disabilities.

DHS appreciates the intent of this bill and notes that "Kal's Law" (Act 155, Session Laws of Hawaii 2019) has been in effect since January 1, 2021. In the preamble of Kal's Law, the Legislature "concluded that it is advantageous for economic development in the State and in the best interests of Hawaii's citizens with disabilities to establish programs and policies that encourage their employment." Kal's Law required DHS to implement an earned income disregard program as an intermediate step to implementing a full Medicaid buy-in program for individuals 16-64 years of age.

In response to Kal's Law, MQD developed State Plan Amendment (SPA) 21-004, "Implement Ticket to Work and Work Incentives Improvement Act (TWWIIA) Basic Eligibility Group," to address the goal of Kal's Law to encourage certain individuals with disabilities to be

able to work without fear of losing their Medicaid coverage.

MQD submitted the 21-004 Ticket to Work SPA to the Centers for Medicare and Medicaid Services (CMS) on December 31, 2020, and CMS approved it on May 10, 2021, with an effective date of January 1, 2021. The SPA added an eligibility group to the State Plan under the authority of Section 201 of the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA: P.L. 106-170), a type of Medicaid buy-in program. There are no set federal income or resource standards for the Basic Eligibility Group, which allows states flexibility to determine the income and resource standards that best fit their Medicaid program rather than using the Supplemental Security Income (SSI) program's limits.

The current Ticket to Work Program is not highly utilized with a current enrollment of less than 10 people. That being said, it is possible for DHS to work with CMS on a request to either increase the income and/or asset limits in the current Ticket to Work Basic Eligibility Group through another State Plan Amendment or to move toward a full buy-in program as described in this bill.

We note that it is unclear what the uptake or utilization will be, and that adding premium collections will require additional administrative support and funding to design and operationalize such a program. Further details on program and administrative costs can be provided to the Legislature as the bill moves forward.

DHS respectfully requests that this program expansion and appropriation does not conflict with, reduce, or replace priorities identified in the executive budget.

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



**STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA**

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February 10, 2025

The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Health and Human Services
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator San Buenaventura, and Committee Members:

SUBJECT: SB451 Relating to Persons with Disabilities

The Hawaii State Council on Developmental Disabilities **SUPPORTS SB451**, which establishes that it is an unlawful discriminatory practice for places of public accommodation to deny a person with a disability full and equal enjoyment of information related to their services, facilities, privileges, advantages, or accommodations using information and communication technology intended for use by the general public as applicants, participants, customers, clients, or visitors. Establishes exceptions.

Kal's Law was intended to be a comprehensive solution to ensure continuous Medicaid coverage for individuals with developmental disabilities. However, through our ongoing advocacy and direct community engagement, we have identified a small yet significant group of individuals who have fallen through the cracks. These individuals face a recurring and exhausting cycle: once they secure their Medicaid after extensive effort, any modest pay raise triggers a loss of benefits, restarting the challenging process that can take six months or more to resolve. This endless loop is not only administratively inefficient but also emotionally and financially devastating for those affected.

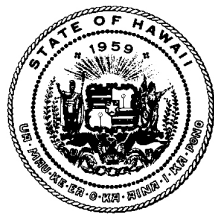
Individuals are frequently advised not to work more than three days a week to avoid losing their Medicaid benefits. This not only undermines their right to meaningful employment but also contradicts the principles of economic self-sufficiency and inclusion that our community strives for. SB451 addresses these issues by creating a Medicaid buy-in option, allowing individuals with disabilities to maintain their healthcare coverage while pursuing gainful employment. This program aligns with federal options under the Social Security Act, providing a sustainable and dignified path forward for many who currently face untenable choices between health coverage and career advancement.

Thank you for the opportunity to submit testimony in **support of SB451**.

Sincerely,

Daintry Bartoldus
Executive Administrator

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DISABILITY AND COMMUNICATION ACCESS BOARD

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February 10, 2025

TESTIMONY TO THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senate Bill 451– Relating to Persons with Disabilities

The Disability and Communication Access Board (DCAB) supports Senate Bill 451 - Relating to Persons with Disabilities.

This bill requires the Department of Human Services to establish a Medicaid buy-in program for workers with disabilities. This program will allow individuals with disabilities to maintain Medicaid coverage while working and earning above the federal poverty level.

By expanding access to Medicaid, this bill will help individuals with disabilities achieve greater financial independence and access essential healthcare services, without the fear of losing coverage as they increase their earnings. It is a vital step toward ensuring that people with disabilities have the support they need to work and thrive in the community.

DCAB supports this bill to improve the quality of life and economic opportunities for individuals with disabilities in Hawaii.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW
Executive Director

SB-451

Submitted on: 2/7/2025 1:54:49 PM

Testimony for HHS on 2/10/2025 1:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Louis Erteschik	Testifying for Hawaii Disability Rights Center	Support	Remotely Via Zoom

Comments:

We have long supported the creation of a Medicaid Buy-In program in Hawaii which would expand Medicaid coverage to individuals with disabilities who may not otherwise have qualified for traditional Medicaid due to higher income or employment status. This would enable people with disabilities who have high medical costs to continue their employment without fear that they may lose their benefits or ability to continue living in the community by earning an income or being self-sufficient. A few years ago, when the Department of Human Services questioned the feasibility of a full Medicaid Buy-In, the Legislature passed the Income Disregard which became known as Kal's Law. While Kal's Law was an important intermediate step to the full Medicaid Buy-In, HDRC has found that there are many individuals with disabilities who are working, but who have high medical costs and who require Medicaid to continue working, who are following through the cracks. For this reason, a full Medicaid Buy-In program is required for workers with disabilities who require Medicaid community-based services not available through other insurers to work,

For example, HDRC recently assisted a client in her twenties with Spinal Muscular Atrophy, who was working and who required Medicaid services, including skilled nursing and services from a personal care attendant to continue her employment and to live independently at her home in the community. Because of multiple miscommunications between Social Security and the State Medicaid Office, and due to a lack of clarity even within the offices about what her options were as someone who was working but who had high medical costs, the individual was improperly dropped from Medicaid for several months. This resulted in unnecessary, and unacceptable high levels of stress and disruption to both her home and work life. We have seen multiple cases like hers. These disruptions can be dangerous for someone who requires continuous medical care, and often discourage work.

Our understanding is that there have been a variety of problems with the implementation of the Income Disregard. Individuals have been terminated from Medicaid when that should not have occurred. We believe a full Medicaid Buy-In would resolve this by eliminating a lot of what continues to cause these disruptions. In light of that, we would hope that the Legislature would look into that and we also believe that it would be more appropriate at this point to create the full Medicaid Buy In Program.

SB-451

Submitted on: 2/8/2025 5:49:31 PM

Testimony for HHS on 2/10/2025 1:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Janelle Fiesta	Individual	Support	Written Testimony Only

Comments:

Good day,

My name is Janelle Fiesta, born and raised in Honolulu, Hawai'i. I live with a significant physical disability called Spinal Muscular Atrophy. I use a power wheelchair to get around and there are many things I cannot independently do, so I rely on the assistance of caregivers. With the support of caregivers, I'm set up to succeed: I volunteer, work a full-time federal job as a civil servant, and continue working for my future. I receive assistance paying for my caregivers through Medicaid's section 1619(b) because Medicaid is the only insurance that helps to pay for caregiving services.. I no longer qualify for social security income.

However, section 1619(b) limits working people with disabilities from making a living wage in Hawai'i. The current threshold in 2025 is \$50,963. Going above this threshold will cut off one's continued Medicaid eligibility.

I'm in a challenging spot: progress my career to earn a higher income but lose my essential Medicaid benefits that help pay for my caregivers OR choose to remain in a lower career position to meet the section 1619(b) threshold and continue receiving Medicaid. I ask you: where in Hawai'i can one comfortably live with an income below \$50,963? I do not want to be forced into poverty.

I support the passing on SB451 to encourage and support people with disabilities who can and want to work, without the fear of losing essential Medicaid benefits.

Thank you,

Janelle Fiesta