



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

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February 5, 2026

The Honorable Representative Lisa Marten, Chair
House Committee on Human Services & Homelessness
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Marten, and Committee Members:

SUBJECT: HB1668 Relating to Medicaid

The Hawai'i State Council on Developmental Disabilities (DDC) submits this testimony in **SUPPORT of HB1668**, which requires the Department of Human Services to allow a full earned income disregard for individuals with disabilities who are between the ages of sixteen and sixty-four years when determining eligibility for Medicaid. Takes effect upon approval by the Centers for Medicare and Medicaid Services.

This measure represents a critical step toward fulfilling the original intent of Kal's Law and addressing one of the most persistent structural barriers facing people with disabilities who want to work. For many people with disabilities, Medicaid is not simply health insurance, it is life-sustaining. Medicaid funds home- and community-based services, personal care assistance, skilled nursing, medical equipment, and supports that enable people to eat, manage medications, breathe safely, and live outside institutions. When increased earnings threaten Medicaid eligibility, people with disabilities are placed in an impossible position: choosing between employment and survival. No one should be forced to decide between working and staying alive.

Current policy creates a benefits cliff that traps people with disabilities in poverty. Even modest increases in earned income can result in loss of Medicaid coverage, even though employer-sponsored insurance does not replace the long-term services and supports Medicaid provides. As a result, people cap their hours, decline promotions, or leave jobs altogether, not because they lack motivation or capacity, but because the system penalizes participation. This is not a failure of individuals; it is a failure of policy.

HB1668 directly addresses this contradiction by allowing people with disabilities to earn income without jeopardizing access to essential Medicaid services. By disregarding earned income for eligibility

purposes, the measure aligns Medicaid policy with employment, independence, and self-determination. It recognizes that work is not about “getting off benefits,” but about building stability, dignity, and community inclusion. These are goals the State of Hawai‘i has repeatedly endorsed.

Importantly, enabling people with disabilities to work is also fiscally responsible. Employment supports long-term stability, reduces reliance on crisis care, and helps people remain safely housed and connected to their communities. Policies that support work without risking essential care prevent far more costly outcomes, including institutionalization and emergency interventions.

HB1668 removes a barrier that never should have existed. It affirms that people with disabilities should not be punished for contributing to their communities and that access to life-sustaining care should never be contingent on remaining unemployed.

Hawai‘i State Council on Developmental Disabilities **strongly supports HB1668.**

Thank you for the opportunity to submit testimony.

Sincerely,



Daintry Bartoldus
Executive Administrator

HB-1668

Submitted on: 2/2/2026 6:27:10 PM

Testimony for HSH on 2/5/2026 9:30:00 AM

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

Comments:

We are in strong support of this Bill. One of the main goals of the disability movement is to integrate individuals with disabilities into competitive employment. While there are many barriers and challenges, one that has stood out is the potential loss of Medicaid waiver benefits that many of these individuals need in order to function properly in their day to day life.

We were very involved with the passage of Kal's Law and we appreciate that that was a good step at the time. However, time has also shown that the law has limitations as it does not address what happens when the person with the disability achieves a higher level of success in their employment. At the time it was passed, capping the allowable earnings at a rate tied to the Federal Poverty Level may have seemed like a reasonable compromise. However, experience has demonstrated that the cap has created artificial limitations that prevent individuals from maximizing their potential. We know of cases where individuals operating under the Income Disregard have opportunities to earn higher salaries or receive promotions or otherwise advance their career. The goal and policy of the law should be to encourage that. Instead, the current law forces them into a difficult choice as they cannot afford to lose their valuable Medicaid benefits. They should be incentivized to be as successful as they can be- not penalized.

Lifting the cap on the Earned Income Disregard will go a long way towards fulfilling the promise of community integration for people with disabilities.



The Honorable Representative Lisa Marten, Chair
Committee on Human Services & Homelessness
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Marten, and Committee Members:

SUBJECT: H.B. 1668 Relating to Medicaid

The Hawai'i Self-Advocacy Advisory Council supports HB1688. This bill would require the Department of Human Services to ignore all earned income when deciding Medicaid eligibility for people with disabilities ages 16 to 64. It would take effect once approved by federal Medicaid authorities.

This bill is important because it fixes a long-standing problem in the system. Many people with disabilities rely on Medicaid not just for medical care, but for the services that allow them to live safely in their homes and communities—things like personal care, skilled nursing, medical equipment, and help with daily activities. Losing Medicaid can mean losing the ability to eat safely, take medications, breathe properly, or avoid institutionalization.

Right now, people with disabilities can lose Medicaid if they earn even a small amount more at work. Employer health insurance does not cover the long-term services and supports that Medicaid provides. Because of this, many people turn down promotions, reduce their hours, or stop working altogether—not because they want to, but because the system forces them to choose between working and keeping the care they need to survive.

HB1688 fixes this by allowing people with disabilities to work without risking their Medicaid coverage. It aligns Medicaid rules with the goals of independence, stability, and community

inclusion. Work should not be about “getting off benefits”—it should be about building a secure and dignified life.

Supporting people with disabilities in the workforce is also financially smart. When people can work and keep their services, they are less likely to need emergency care, institutional placement, or other costly interventions. This bill removes a barrier that should never have existed and affirms that people with disabilities should not be punished for contributing to their communities. Access to essential care should never depend on staying poor or unemployed.

Hawai'i Self-Advocacy Advisory Council **strongly supports HB1668.**

Thank you for the opportunity to submit testimony.

A handwritten signature in black ink, appearing to read "T. Renken", with a stylized flourish at the end.

Timothy Renken,

President, Hawaii Self-Advocacy Advisory Council

HB-1668

Submitted on: 2/3/2026 11:32:31 AM

Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaili Swan	Individual	Support	In Person

Comments:

I am in strong support of this HB1668 because pople with disability need medicald to pay to visit the hospital or help pay for community learning services individual (CLS-I) or day programs please pass this HB1668 thank you

Iris HB1668 Testimony

Aloha Chair, Vice Chair, and Committee Members,

My name Iris Xiao.

Thank you for letting me share my testimony.

I am writing in support of HB1668.

I live in Oahu.

I am a self-advocate with the Self-Advocacy Advisory Council.

This bill is important to me because:

Without the Medicaid Disregard, right now, working and making money makes me feel uncertain, and it feels unfair. I really would like to work a job so that I could be more a part of the community and can earn my own money. As someone with disabilities, I often need more support to help me work. If I were to work, it would matter how much money I make. If the Medicaid income disregard were passed, I would feel more secure, and I would be determined to earn money to support myself and have a more positive perspective on life.

I am in support of HB1668.

Thank you for listening and for your time,

Iris Xiao

The Honorable Representative Lisa Marten, Chair
Committee on Human Services & Homelessness
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Marten, and Committee Members:

SUBJECT: H.B. 1668 Relating to Medicaid

My name is Deziree Tacub and I am from Kauai; I am in support of H.B.1668. I have a disability and I work part time at Pizza Hut. I have been asked to work full time but cannot because of Medicaid. I would make too much money and would lose my medical benefits. If I lose Medicaid, the cost of my doctor's bills would be a hardship for me. I want to work more, so I can afford to buy the things I need. I would also lose my Home and Community Based Services, I have a person who supports me weekly, they help me work on skills like cooking and grocery shopping. I want to be independent, but it is hard when I can't earn enough money.

Thank you for allowing me to provide testimony in support of HB 1668.

The Honorable Representative Lisa Marten, Chair
Committee on Human Services & Homelessness
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Marten, and Committee Members:

SUBJECT: H.B. 1668 Relating to Medicaid

My name is Leona Sa-McDermott and I am from Kauai; I am in support of H.B.1668. I have an adult son with a disability who works. This would allow him to work more and earn more money, so that as he ages, he will have money for retirement.

My son works part-time; each week his employer and other employers who hire individuals with disabilities must juggle schedules because of the income limits individuals with disabilities have. With a worker shortage H.B.1668 would allow many individuals with disabilities who are working part-time to work full-time. Not only helping the individuals with disabilities but the companies they are working for. This is not only a win for individuals with disabilities, but also for many companies in Hawaii who employ them, by giving them more options for shift coverage and ensuring business stay open.

Thank you for allowing me to provide testimony in support of HB 1668.

03 February 2026

Dear Representative Marten and Community Members,

Thank you for giving me the opportunity to share my story as a Hawai'i resident living with a disability and to explain how HB 1668 for a Medicaid Income Disregard, would be life-changing for myself and others with disabilities.

HB 1668 would require the Department of Human Services to allow a full earned income disregard for individuals with disabilities between the ages of sixteen and sixty-four years when determining eligibility for Medicaid. It would take effect upon approval by the Centers for Medicare and Medicaid Services. I am writing this testimony in support of HB 1668.

My name is Janelle Fiesta, and I was born and raised in Honolulu, Hawai'i. I was diagnosed with a rare neuromuscular disease called Spinal Muscular Atrophy (SMA) at one year old. I am now nearing my 30th birthday, and I have a lot more life to live.

As a result of SMA, I have lost most of my motor function and cannot perform many physical tasks independently. Activities such as getting out of bed, using the bathroom, bathing, dressing, and getting to work all require assistance. I use a power wheelchair to navigate the world, and I rely on caregivers every day to help me with activities of daily living.

Because of this, Medicaid is essential to my survival. Through Medicaid, I receive caregiving attendant services that make it possible for me to live and work in the community, and I am deeply grateful for this support. Despite my disability, I live a full and meaningful life. I am surrounded by supportive family and friends, have a loving partner, and hold hopes and goals for my future like anyone else.

One of my proudest accomplishments is my career as an Equal Employment Opportunity Specialist. I enjoy helping others and learning about disability law and policy. I am able to work independently using a computer and communicate effectively with colleagues and customers. I have been in my role for nearly five years and hope to continue growing professionally. However, employer-based insurance does not cover caregiving attendant services, and my income alone cannot support the cost of daily care without Medicaid.

Current Medicaid policy requires people with disabilities to remain at or near poverty-level income in order to maintain coverage. This places working people with disabilities in an impossible position: we must limit our earnings to preserve access to the services that keep us alive. As a result, many are forced to reduce work hours, decline promotions, or avoid

employment altogether. While this may not be the intent of the policy, it ultimately discourages workforce participation and undermines independence and stability.

For me, Medicaid is not temporary support; it is a lifelong necessity. “Getting off benefits” is neither realistic nor appropriate, because disability-related medical needs do not disappear with employment or modest income. Work provides purpose and opportunity, but it does not eliminate the need for essential care.

HB 1668 is about dignity, equity, and opportunity. It would allow people with disabilities who want to work and build careers to do so without risking the loss of critical Medicaid services. It affirms our right to earn income, plan for the future, and make decisions based on our goals rather than outdated eligibility rules.

For these reasons, I respectfully ask that you consider passing HB 1668.

Thank you for your time and consideration.

Very Respectfully,

Janelle Fiesta

HB-1668

Submitted on: 2/4/2026 5:34:58 AM

Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Leilani Kailiawa	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members,

My name is Leilani. I am a parent and community leader on Hawaii Island. I am in strong support of HB 1668.

I am the parent of a child with multiple disabilities. While my son is not yet at the age where he currently relies on Medicaid long-term services, based on his diagnoses and needs. I know this will be part of his future. Families like mine must plan years in advance to ensure continuity of care, medical stability, and quality of life.

Medicaid is not just a safety net—it is a lifeline. For children with disabilities, it supports critical services that allow them to remain at home, attend school, and participate in the communities.

HB 1668 gives families peace of mind by protecting access to essential services before a crisis happens. Waiting until families are already in emergency situations is too late.

I urge you to pass HB 1668 so families can plan, prepare, and care for their children with dignity and stability.

Mahalo for the opportunity to testify.

Leilani Kailiawa