

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
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**Testimony in SUPPORT of H.B. 1236, H.D. 1, S.D. 1
RELATING TO PERSONS WITH DISABILITIES**

SENATOR JILL N. TOKUDA, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

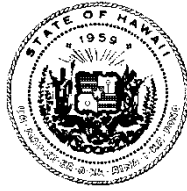
Hearing Date: 4-06-15

Room Number: 211

1 **Fiscal Implications:** None to the Department of Health.

2 **Department Testimony:** The Department of Health (DOH) supports H.B. 1236, H.D.1, S.D.1,
3 Relating to Persons with Disabilities because working aged adults with disabilities face many
4 challenges to becoming competitively employed, especially the loss of health insurance
5 coverage. DOH is available to collaborate with Med-Quest Division (MQD) on programs that
6 will reduce barriers to employment for people with disabilities. If a Medicaid Buy-In pilot
7 program were to be established, it would be best to place it in the Department of Human
8 Services, Med-Quest Division.

9 DOH supports MQD's efforts to allow employed individuals with disabilities to continue
10 receiving Medicaid supports and services while earning a salary, within limits, as specified by
11 MQD. Having the assurance of health coverage through Medicaid expansion will relieve
12 concerns of people with disabilities who want to work but need continued supports and services.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

April 5, 2015

Memorandum

TO: The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means

FROM: Rachael Wong, DrPH, Director

SUBJECT: **H.B. 1236 HD1 SD1 - RELATING TO PERSONS WITH DISABILITIES**

Hearing: Monday, April 6, 2015; 9:05 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of the bill is to establish a two-year working disabled adults pilot program to be repealed on June 30, 2017. Establishes a Medicaid Buy-In program for workers with disabilities to be implemented once the pilot program is complete. Appropriates funds for the working disabled adults pilot program.

DEPARTMENT'S POSITION:

The Department of Human Services (DHS) supports removing barriers to individuals with disabilities seeking employment while maintaining access to Medicaid. The DHS therefore supports the intent of this measure but has a concern that funding for the program may replace or adversely impact existing program mandates and priorities identified in the Executive Budget. The DHS provides the following comments on this measure.

This bill, similar to bill S.B. 481 SD1 which did not cross over to the House, reflects the work that was done through the Medicaid Buy-In Task Force. In collaboration, the Task Force members

agreed to pursue a new eligibility group for working disabled adults which includes an earned income disregard. The approach in this measure can be implemented more quickly and less expensively than a full-fledged Buy-In program while helping many individuals with disabilities. The DHS has already prepared a State Plan Amendment and drafted proposed Hawaii Administrative Rules to add the Working Disabled Adults eligibility group referenced in this bill. The DHS anticipates that a total of \$1,570,023 (\$729,393 A funds/\$840,630 N funds) in each year of the biennium is required for the program. The Senate Committee on Human Services and Housing, amongst other things, amended the measure to include an appropriation for \$730,000 for each year of the biennium.

Thank you for the opportunity to testify on this bill.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
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TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
April 6, 2015

The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means
Twenty-Eighth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Tokuda and Members of the Committee:

SUBJECT: HB 1236 HD1 SD1 – RELATING PERSONS WITH DISABILITIES

The State Council on Developmental Disabilities (DD) **STRONGLY SUPPORTS HB 1236 HD1 SD1**. The bill establishes within the Department of Human Services (DHS) a two-year working disabled adults pilot program to be repealed on June 30, 2017, and a Medicaid Buy-In program for workers with disabilities to be implemented once the pilot program is complete, and appropriates funds for the working disabled adults pilot 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 Medicaid Buy-In program for working individuals with disabilities based on Hawaii's current Medicaid income and asset limits subject to approval by the Federal Centers for Medicare and Medicaid Services. The Council is a member of the Task Force and has been engaged in discussions on establishing and implementing a Medicaid Buy-In program for individuals with disabilities. The Task Force was in general agreement that the Medicaid Buy-In 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.

During the interim, discussions by the Task Force continued, and DHS offered another option that they would support. The Task Force was in agreement of this option that would be through an amendment in DHS' Hawaii Administrative Rules (HAR) to establish a new Working Disabled Adults eligibility group that would include an earned income disregard and allow Medicaid recipients with disabilities to maintain their eligibility. DHS prepared the HAR and was targeted to be on a fast track to begin on April 1, 2015. DHS included funds in their biennium request for implementation of the HAR. However, we were informed by DHS that the Governor's Executive Budget did not include DHS' request and as a result, the program has been deferred indefinitely.

The Honorable Jill N. Tokuda
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April 6, 2015

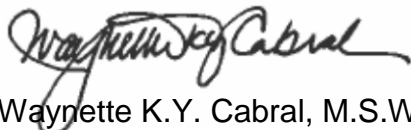
This bill will enable DHS to move forward in establishing the Working Disabled Adults pilot project as it intended to do. We are pleased that the intent after the pilot project is completed will be to implement a Medicaid Buy-In program for workers with disabilities. This would be a long-term approach to supporting workers with disabilities to expand and maintain their access to Medicaid while being able to earn a living.

HB 1236 HD1 SD1 is a proactive approach to encourage and provide incentives for individuals with disabilities to gain and maintain employment, and increase their employment income.

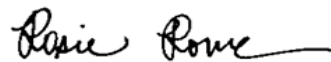
We appreciate the Legislature's involvement with the Task Force and perseverance in addressing options for individuals with disabilities to become employed and maintain their access to Medicaid.

Thank you for the opportunity to submit testimony **strongly supporting HB 1236 HD1 SD1.**

Sincerely,



Waynette K.Y. Cabral, M.S.W.
Executive Administrator



Rosie Rowe
Chair



HAWAII DISABILITY RIGHTS CENTER

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THE SENATE THE TWENTY-EIGHTH LEGISLATURE REGULAR SESSION OF 2015

Committee on Ways and Means Testimony on H.B. 1236, HD1, SD1 Relating to Persons With Disabilities

**Monday, April 6, 2015, 9:05 A.M.
Conference Room 211**

Chair Tokuda and Members of the Committee:

While much progress has been made in the past few decades to promote the rights of individuals with disabilities, one area that has lagged behind has been the competitive, integrated employment of individuals with disabilities. While there are many factors accounting for this, one clear barrier is the loss or fear of loss of Medicaid benefits, be it the health care coverage or the home and community based waiver services which accompany the receipt of Medicaid.

For that reason, the Medicaid Buy In Program has long appeared to be a viable option to address this. It would encourage individuals with disabilities to seek gainful employment and enjoy more fulfilling, productive lives. It would also ensure that they would maintain the services that they need to successfully live in the community. We served as a member of the Medicaid Buy In Task Force that has been convened in the interim between the past few last legislative sessions. We note that the members of the Task Force were in general agreement that the Buy In Program should be pursued.

The notable exception to that general consensus in the past few years has been the Department of Human Services. They had been resistant to the Buy In, though they did state that they would support an "Income Disregard" Program which would allow Medicaid recipients with disabilities to earn up to two thousand dollars per month and not lose their eligibility. The Task Force was told that Administrative Rules would be drafted by December 2014 and the program would be operational by April, 2015. We recently learned that the new Administration has shifted course and has not included funding in the Executive Budget for this purpose. In light of that, it may be more



important now for the Legislature to entertain this issue, be it in the form of a Buy In Program or an Income Disregard enacted in statutory form.

Thank you for the opportunity to testify on this measure.



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State of Hawaii
Senate Committee on Ways and Means
The Honorable Senator Jill N. Tokuda, Chair
The Honorable Senator Ronald D. Kouchi, Vice Chair
Hawaii State Legislature

April 6, 2015; 9:05 a.m.
Room 211

HB 1236, HD1, SD1 Relating to Persons with Disabilities

Good afternoon, Chair Tokuda, Vice Chair Kouchi, and Members of the Ways and Means Committee,

Lanakila Pacific supports the intent of HB 1236, HD1, SD1 to establish a two-year working disabled adults pilot program and for a Medicaid Buy-In Program to be implemented thereafter.

Founded in 1939, Lanakila Pacific is a Hawaii-based non-profit organization. Our programs and social enterprises currently serve over 2,300 Oahu and Kauai residents annually, with services that build independence and self-sufficiency, which in turn supports our greater community. Our programs include employment training and job placement assistance for people with disabilities.

Unfortunately, despite the progress, much more needs to be done to promote employment of people with disabilities. According to the U.S. Bureau of Labor Statistics, in 2012, only 17.8% of people with disabilities were employed compared to 63.9% of those without disabilities. The unemployment rate of people with disabilities was 13.4% in 2012, nearly twice the rate for those with no disability, at 7.9%.

Many people with disabilities want to work but worry that doing so could jeopardize their vital health coverage. Expanding access to Medicaid would provide people with disabilities who are interested in working the opportunity to get or keep health coverage while on the job.

This not only benefits the individual's self-esteem, it also contributes to their self-sufficiency and independence. More people with disabilities working means more consumers to put money back into the economy, more contributing taxpayers, and better use of state resources.

Thank you for the opportunity to provide testimony in support of the intent of this measure.

Respectfully submitted,

Marian E. Tsuji
President & CEO

Mary Beth Lum
Workforce Resources Manager

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: jacinthow001@hawaii.rr.com
Subject: *Submitted testimony for HB1236 on Apr 6, 2015 09:05AM*
Date: Thursday, April 02, 2015 5:57:19 PM

HB1236

Submitted on: 4/2/2015

Testimony for WAM on Apr 6, 2015 09:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Anne Marie Owens Jacintho	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: alohilani7@gmail.com
Subject: Submitted testimony for HB1236 on Apr 6, 2015 09:05AM
Date: Friday, April 03, 2015 1:08:00 PM

HB1236

Submitted on: 4/3/2015

Testimony for WAM on Apr 6, 2015 09:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Alohilani Hue Sing	Individual	Support	No

Comments: Please support HB1236 so that individuals with disabilities can work and earn an income without fear of losing critical medical insurance. Many of us cannot risk our health which is literally what happens when medical insurance is no longer available because of earning income above the current minimum thresholds of medicaid.

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