
A BILL FOR AN ACT

RELATING TO PERSONS WITH DISABILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that Act 200, Session
3 Laws of Hawaii 2012, established a joint legislative task force
4 to explore the possibility of implementing a medicaid buy-in
5 program for individuals with disabilities who are either not
6 working or currently working and would like to earn more income,
7 based upon Hawaii's current medicaid income and asset limits,
8 subject to approval of the federal Centers for Medicare and
9 Medicaid Services. The legislature notes that a significant
10 portion of the population in Hawaii receives federal or state
11 benefits because of disabling conditions. Moreover, current
12 state programs and policies, including state-designed medicaid
13 waiver programs, create disincentives for persons with
14 disabilities to become employed, maintain employment, or
15 increase their employment income.

16 The legislature also finds that from 2005 through 2012,
17 Hawaii was the recipient of a grant from the federal Centers for
18 Medicare and Medicaid Services for the development of a medicaid



1 infrastructure program to design and implement a medicaid buy-in
2 program for individuals with disabilities who are employed or
3 desire to become employed and purchase medicaid coverage
4 authorized under the Ticket to Work and Work Incentives
5 Improvement Act of 1999 (P.L. 106-170). Prior to 1999, other
6 potential federal options for the creation of a medicaid buy-in
7 program included the 1997 Balanced Budget Act and a waiver
8 pursuant to title 42 United States Code section 1115, the Social
9 Security Act.

10 The legislature further finds that it is advantageous for
11 economic development in the State and in the best interests of
12 Hawaii's citizens with disabilities to establish programs and
13 policies that encourage employment. It is the intent of the
14 legislature that all state agencies work with citizens to
15 identify and remove barriers to employment for persons with
16 disabilities. Adults with disabilities need adequate health
17 insurance, but options for insurance coverage are limited, even
18 with the federal Patient Protection and Affordable Care Act.

19 The purpose of this Act is to encourage individuals with
20 disabilities to gain employment and improve their employment
21 opportunities by:



1 (1) Establishing a two-year working disabled adults pilot
2 program in which medicaid eligibility for workers with
3 disabilities will be expanded; and

4 (2) Establishing a medicaid buy-in program for workers
5 with disabilities to be implemented once the working
6 disabled adults pilot program has terminated.

7 PART II

8 SECTION 2. (a) The department of human services shall
9 establish the working disabled adults pilot program to create a
10 new medicaid eligibility group for workers with disabilities.
11 The purpose of the working disabled adults pilot program is to
12 support employment of individuals with disabilities by expanding
13 their access to medicaid.

14 (b) Criteria for participating in the working disabled
15 adults pilot program shall include:

- 16 (1) Be a resident of the State;
- 17 (2) Be at least nineteen years of age but less than sixty-
18 five years of age;
- 19 (3) Meet medicaid citizenship requirements;
- 20 (4) Have a disability, as defined by the Social Security
21 Administration; and
- 22 (5) Not be eligible for any other medicaid eligibility.



1 (c) The department of human services shall use the same
2 eligibility criteria for the working disabled adults pilot
3 program as for eligibility in the medicaid aged, blind, and
4 disabled group, except that the department shall:

5 (1) Disregard earned income in an amount determined by the
6 department, but not less than \$1,000 per month; and

7 (2) Have an asset limit as determined by the department,
8 but not less than the asset limit for the medicaid
9 aged, blind, and disabled group.

10 (d) The working disabled adults pilot program shall
11 terminate on June 30, 2017.

12 SECTION 3. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$730,000 or so much
14 thereof as may be necessary for fiscal year 2015-2016 and the
15 same sum or so much thereof as may be necessary for fiscal year
16 2016-2017 for the working disabled adults pilot program to
17 support employment of individuals with disabilities by expanding
18 their access to medicaid; provided that the department is
19 encouraged to collaborate with the University of Hawaii center
20 on disability studies to prepare and conduct outreach relating
21 to the working disabled adults pilot program, technical
22 assistance, and evaluation.



1 The sums appropriated shall be expended by the department
2 of human services for the purposes of this Act.

3 PART III

4 SECTION 4. Chapter 346, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

7 "§346- Medicaid buy-in program for workers with
8 disabilities. (a) There is established within the department
9 the medicaid buy-in program for workers with disabilities. The
10 purpose of the medicaid buy-in program for workers with
11 disabilities is to support employment of individuals with
12 disabilities by expanding their access to medicaid.

13 (b) To qualify for the medicaid buy-in program for workers
14 with disabilities, a person shall:

- 15 (1) Be a resident of the State;
- 16 (2) Be at least eighteen years of age;
- 17 (3) Meet medicaid citizenship requirements;
- 18 (4) Have a disability, as defined by the Social Security
19 Administration;
- 20 (5) Be gainfully employed in either part-time or full-time
21 work; provided that all earnings shall be reported to
22 the department of labor and industrial relations;



1 (6) Have income that does not exceed three hundred per
2 cent of the federal poverty level; and

3 (7) Have assets that do not exceed an amount established
4 by the department; provided that the limitation on
5 assets established by the department shall not be less
6 than \$25,000.

7 (c) The medicaid buy-in program for workers with
8 disabilities may have an enrollment limit as determined by the
9 department; provided that the limit shall not be less than two
10 hundred individuals.

11 (d) The department may require a person participating in
12 the medicaid buy-in program for workers with disabilities to pay
13 a premium or other cost-sharing charges in a manner as
14 determined by the department.

15 (e) The department shall adopt rules pursuant to chapter
16 91 necessary for the purposes of this section."

PART IV

18 SECTION 5. The department of human services shall submit a
19 report to the legislature no later than twenty days prior to the
20 convening of the regular session of 2017, providing an update on
21 the working disabled adults pilot program and recommending
22 whether to implement the medicaid buy-in program for workers



1 with disabilities pursuant to section 4 of this Act. The report
2 shall include the department's findings, recommendations, and
3 any proposed amendments to the program as proposed by section 4
4 of this Act and shall specify resources needed to implement the
5 program.

6 SECTION 6. New statutory material is underscored.

7 SECTION 7. This Act shall take effect on July 1, 2015;
8 provided that part II shall be repealed on June 30, 2017; and
9 provided further that part III shall take effect on July 1,
10 2017.



Report Title:

Working Disabled Adults Pilot Program; Medicaid Buy-in Program for Workers with Disabilities; Appropriation

Description:

Establishes within the department of human services 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. (SD1)

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