

JAN 23 2015

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# A BILL FOR AN ACT

RELATING TO PERSONS WITH DISABILITIES.

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

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

15           The legislature also finds that from 2005 through 2012,  
16 Hawaii was the recipient of a grant from the federal Centers for  
17 Medicare and Medicaid Services for the development of a medicaid  
18 infrastructure program to design and implement a medicaid buy-in



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

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

18 The purpose of this Act is to encourage individuals to gain  
19 employment and improve their employment opportunities by  
20 establishing a medicaid buy-in program and medicaid buy-in pilot  
21 program for workers with disabilities.



1 SECTION 2. Chapter 346, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 **"§346- Medicaid buy-in program for workers with**  
5 **disabilities.** (a) There is established within the department  
6 the medicaid buy-in program for workers with disabilities. The  
7 purpose of the medicaid buy-in program for workers with  
8 disabilities is to support employment of individuals with  
9 disabilities by expanding their access to medicaid.

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

- 12 (1) Be a resident of the State;
- 13 (2) Be at least eighteen years of age;
- 14 (3) Meet medicaid citizenship requirements;
- 15 (4) Have a disability, as defined by the Social Security  
16 Administration;
- 17 (5) Be gainfully employed in either part-time or full-time  
18 work; provided that all earnings shall be reported to  
19 the department of labor and industrial relations;
- 20 (6) Have income that does not exceed three hundred per  
21 cent of the federal poverty level; and



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

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

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

12        (e) The department shall adopt rules pursuant to chapter  
13                   91 necessary for the purposes of this section."

14        SECTION 3. The department of human services shall  
15                   implement the medicaid buy-in program for workers with  
16                   disabilities no later than July 1, 2018.

17        SECTION 4. The department of health shall establish a  
18                   medicaid buy-in pilot program for workers with disabilities to  
19                   support the employment of individuals with disabilities by  
20                   expanding their access to medicaid. The pilot program shall  
21                   serve one hundred workers with disabilities who obtain



1 employment and, as a result of their employment, are no longer  
2 eligible for medicaid.

3 The department of health shall adopt rules as necessary to  
4 implement and administer the pilot program.

5 The department of health shall implement the medicaid buy-  
6 in pilot program for workers with disabilities no later than  
7 July 1, 2016. The pilot program shall terminate on June 30,  
8 2018.

9 SECTION 5. The department of human services shall submit a  
10 report to the legislature no later than twenty days prior to the  
11 convening of the regular session of 2017, detailing its progress  
12 in implementing the medicaid buy-in program for workers with  
13 disabilities. The report shall include the department's  
14 findings, recommendations, and any proposed legislation, and  
15 shall specify resources needed to implement the medicaid buy-in  
16 program for workers with disabilities. The department of human  
17 services, with the assistance of the department of health, shall  
18 include in the report an update on the department of health's  
19 medicaid buy-in pilot program.

20 SECTION 6. There is appropriated out of the general  
21 revenues of the State of Hawaii the sum of \$ or so  
22 much thereof as may be necessary for fiscal year 2015-2016 and



1 the same sum or so much thereof as may be necessary for fiscal  
2 year 2016-2017 for the medicaid buy-in pilot program for workers  
3 with disabilities who are no longer eligible for medicaid  
4 benefits because they obtained employment.

5 The sums appropriated shall be expended by the department  
6 of health for the purposes of this Act.

7 SECTION 7. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$ or so  
9 much thereof as may be necessary for fiscal year 2015-2016 and  
10 the same sum or so much thereof as may be necessary for fiscal  
11 year 2016-2017 for the University of Hawaii center on disability  
12 studies to prepare and conduct outreach and training relating to  
13 the medicaid buy-in program for workers with disabilities.

14 The sums appropriated shall be expended by the University  
15 of Hawaii center on disability studies for the purposes of this  
16 Act.

17 SECTION 8. New statutory material is underscored.

18 SECTION 9. This Act shall take effect on July 1, 2015.

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INTRODUCED BY: *Elizabeth Chun Oakland*



# S.B. NO. 481

**Report Title:**

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

**Description:**

Establishes the department of human services medicaid buy-in program for workers with disabilities and appropriates funds for outreach and training relating to the program. Establishes and appropriates funds for a department of health medicaid buy-in pilot program to be effective from July 1, 2016, until June 30, 2018.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

