
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 working individuals with disabilities based upon
5 Hawaii's current medicaid income and asset limits and subject to
6 approval of the federal Centers for Medicare and Medicaid
7 Services. The legislature notes that a significant portion of
8 the population in Hawaii receives federal or state benefits for
9 disabling conditions. Moreover, current state programs and
10 policies, including state-designed medicaid waiver programs,
11 create disincentives for persons with disabilities to become
12 employed, maintain employment, or increase their employment
13 income.

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



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

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

17 The purpose of this Act is to encourage individuals to gain
18 employment and improve their employment opportunities by
19 establishing a medicaid buy-in program and medicaid buy-in pilot
20 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 the 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, including part-time or full-
18 time work; provided that all earnings shall be
19 reported to the department of labor and industrial
20 relations;
- 21 (6) Have income that does not exceed three hundred per
22 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 limitation shall not be less than
7 two 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 as determined by the
11 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, 2017.

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, 2015. The pilot program shall terminate on June 30,
8 2017.

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 2016, detailing its progress
12 in implementing the medicaid buy-in program for workers with
13 disabilities pursuant to section 2 of this Act. The report
14 shall include the department's findings, recommendations, and
15 any proposed legislation, and shall specify resources needed to
16 implement the medicaid buy-in program for workers with
17 disabilities. The department of human services, with the
18 assistance of the department of health, shall include in the
19 report an update on the 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 2014-2015 for



1 the medicaid buy-in pilot program for workers with disabilities
2 who are no longer eligible for medicaid benefits because they
3 obtained employment.

4 The sum appropriated shall be expended by the department of
5 health for the purposes of this section.

6 SECTION 7. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so
8 much thereof as may be necessary for fiscal year 2014-2015 for
9 the University of Hawaii center on disability studies to prepare
10 and conduct outreach and training programs relating to the
11 medicaid buy-in pilot program for workers with disabilities
12 under section 4 of this Act.

13 The sum appropriated shall be expended by the University of
14 Hawaii center on disability studies for the purposes of this
15 section.

16 SECTION 8. New statutory material is underscored.

17 SECTION 9. This Act shall take effect on July 1, 2030.



Report Title:

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

Description:

Establishes the Medicaid Buy-in Program for Workers with Disabilities. Establishes and appropriates funds for a Medicaid Buy-in Pilot Program to be in effect from July 1, 2015, until June 30, 2017. Effective July 1, 2030. (SD2)

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