
A BILL FOR AN ACT

RELATING TO PERSONS WITH DISABILITIES.

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

SECTION 1. The legislature finds that Act 200, Session Laws of Hawaii 2012, established a joint legislative task force to explore the possibility of implementing a medicaid buy-in program for individuals with disabilities who are either not working or currently working and would like to earn more income, based upon Hawaii's current medicaid income and asset limits, subject to approval of the federal Centers for Medicare and Medicaid Services. Medicaid buy-in task force meetings have been convened by the legislature on a regular basis since 2012, and several bills have been introduced to implement a medicaid buy-in program. The medicaid buy-in task force has supported the medicaid buy-in program as a means to enable workers with disabilities to be employed while protecting their medical benefits and supports.

The legislature also finds that the medicaid buy-in task force has recommended an alternate approach, as an interim step to a medicaid buy-in program, that would allow individuals with disabilities to earn income and not lose their medicaid benefits, which they would be at risk of given current medicaid eligibility rules. While this interim program would not provide the full benefits of a medicaid buy-in program, such as also disregarding any assets of the individual, it would increase the amount of income an individual could earn while retaining medicaid

eligibility.

According to the medicaid buy-in task force, Hawaii is one of four remaining states in the United States that has not adopted this group coverage for working people with disabilities; the other three states are Alabama, Florida, and Tennessee. Persons with disabilities regularly report to case workers that they cannot accept work opportunities because they would lose their benefits. A medicaid buy-in program would allow working people with disabilities to retain the medical coverage they need, as primary or secondary coverage, by paying premiums on a sliding scale, as defined by the state and federal government. While the Hawaii Prepaid Health Care Act guarantees private health insurance to employees who work twenty hours or more a week for four consecutive weeks, the Prepaid Health Care Act does not often meet the needs of working people with disabilities, as most are unable to work the minimum required twenty hours per week. For those who do meet the qualifying minimum hours for the Prepaid Health Care Act, many also still need to retain their medicaid coverage as secondary coverage to access home and community-based services.

The legislature concludes that it is advantageous for economic development in the State and in the best interests of Hawaii's citizens with disabilities to establish programs and policies that encourage their employment. The purpose of this Act is to require the department of human services to implement an earned income disregard program as an intermediate step to implementing a full medicaid buy-in program.

SECTION 2. (a) The department of human services shall allow an earned income disregard of one hundred thirty-eight per cent of the federal poverty level for people with disabilities between the ages of sixteen and sixty-four when determining eligibility for medicaid.

(b) The department may adopt or amend its administrative rules as necessary to implement this Act.

(c) The department shall at least annually evaluate the earned income disregard program and assess whether, when, and how a full medicaid buy-in program may be implemented.

(d) The department shall submit a report to the legislature no later than twenty days prior to the convening of the regular sessions of 2019, 2020, and 2021, providing an update on the earned income disregard program and the viability of implementing a full medicaid buy-in program. The report shall include the department's findings, recommendations, and any proposed legislation and identify resources needed to implement a full medicaid buy-in program.

(e) The department is encouraged to collaborate with the university of Hawaii center on disability studies for technical assistance and program evaluation.

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY: _____

Report Title:

Medicaid; Earned Income Disregard Program; Deaf and Blind Task Force

Description:

Requires the department of human services to implement an earned income disregard program as an intermediate step to implementing a medicaid buy-in program. Requires reports to the legislature.

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