

MWPD Testimony (H. 333): House Commerce and Economic Development Committee

April 3rd, 2015

First of all, I sincerely thank the Committee for the opportunity to testify on H.333, the Medicaid for Working Persons with Disabilities (MWPD) work incentives bill. I also thank the Committee and Chairman Botzow for agreeing to hold this hearing.

An initiative to heighten work incentives and eliminate inherent work disincentives within the MWPD program has been strongly promoted by advocates and others for many years. This initiative will serve to increase the number of people with disabilities employed, as well as the extent of that employment, in the state of Vermont. It appears to be generally supported as good policy on a multi-partisan basis. Socioeconomic productivity will increase along with consumer spending and revenue generation. It can only give our still-tenuous economy a needed boost. It does not create a new program; rather, it improves the agreed upon goals of the established program.

More than that, though, a greater number of people with disabilities will be able to live independently with dignity and self-respect. A major objective of this legislation, of course – in contrast to programs of the past which assumed people with disabilities were not capable of being employed - is to assist people to leave the entitlement snare and embark upon a life of self-sufficiency.

The Department of Disabilities, Aging and Independent Living (DAIL) submitted a report to the legislature in January of 2009 analyzing on a preliminary basis potential work incentive enhancements to MWPD. At that time, seven recommendations were proposed. These recommendations included suggestions for cost analyses to assess the fiscal impact to State government of implementation. Four recommendations, pending analysis, were suggested to be “cost-neutral” or to lead to cost-savings to the State in terms of appropriations. All seven, however, were postulated to be cost-saving in the long-run, considering heightened productivity.

At this time, H.333 contains five recommendations; four original ones and one which was brought to light as necessary to correct an inequity and which should be cost-neutral. Three original recommendations were eliminated in spirit of compromise and due to Federal clarifications as to feasibility. One original recommendation was fine-tuned for clarity and better execution.

Though there is general agreement as to the positive policy implications, there has been concern within the relevant State government departments over the last few years as to capacity to do any necessary analysis and implementation. Reductions in force - and thus staffing shortages - necessitated by economic recessionary pressures certainly exacerbated the situation. There has also been issues regarding IT insufficiencies and inflexibilities.

The State of Vermont has now, however, begun to roll out a new, more flexible, IT system and such non-MAGI disability data need to be incorporated into the system in any event. In addition, it must be mentioned that some of the recommendations do indeed carry the potential – over the long run – of saving administrative time and, thus, money. For example, if State staff no longer need to conduct time-consuming searches for an MWPD beneficiary spouse's income and asset resources, the eligibility process would be simplified and shortened.

We certainly understand the need for fiscal responsibility, prudence and caution going forward. But we think it important to proceed with any required analyses and subsequent implementation of such recommendations for heightening work incentives within the MWPD program, as those presented, that are feasible. Not to do so, we think, would be a shame for all involved. Governor Shumlin, in his 2015 budgetary address before the legislature, outlined budgetary principles emphasizing those programs which serve to heighten employment and are cost effective long-term (i.e. a positive cost/benefit ratio). I think this initiative conforms to those principles.

In conclusion, I would like to respectfully point out what I believe to be necessary technical language changes, for accuracy's sake, to proposed rule changes #1 and #5; no such change affects the substantive intent of the bill whatsoever:

#1: we have determined that there is no across-the-board \$10,000 threshold for long term care Medicaid – only disregards (as for funeral expenses and spousal transfers). Thus we suggest eliminating language after the word, “program.”

#5: the Choices for Care program has been merged into the Global Commitment to Health waiver; developmental disability services are within the Global Commitment to Health waiver – not the Choices for Care “package.” Thus, we suggest changing “Choices for Care” to “Global Commitment to Health.” In addition, we suggest language which clarifies that this recommendation in no way alters clinical eligibility criteria for developmental disability services. It simply serves to equate financial criteria for the MWPD program with that for developmental disability services.

I will be happy to try to explain the five recommendations and to answer questions of the Committee, if requested.

Thank you for your time and consideration!

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