

State of Hawaii
Department of Human Services
MED-QUEST DIVISION

MEDICAID STATE PLAN

SPA MEMO NO.: 25-16

DATE: 03/25/26

ORIGINATOR: POLICY AND PROGRAM DEVELOPMENT OFFICE

TO: Custodian of Med-QUEST Division Medicaid State Plan

FROM: Meredith Nichols *ms*
Acting Med-QUEST Division Administrator

SUBJECT: APPROVAL OF AMENDMENT UNDER THE MEDICAID STATE PLAN

EXPLANATION:

On June 26, 2019, Governor David Y. Ige signed Act 155, Session Laws of Hawaii (SLH) 2019, also known as “Kal’s Law”. In response to Act 155, State Plan Amendment (SPA) 21-0004 “Implement Ticket to Work and Work Incentives Improvement Act (TWWIIA) Basic Eligibility Group”, was developed to address the goal of Kal’s Law to encourage certain individuals with disabilities to be able to work without fear of losing their Medicaid coverage.

SPA 21-0004 “Ticket to Work”, was submitted to the Centers for Medicare and Medicaid Services on December 31, 2020, and approved on May 10, 2021, with an effective date of January 1, 2021. The SPA added a MAGI-Excepted eligibility group to the State Plan “Ticket to Work Basic” reviewable unit under the authority of Section 201 of the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA: P.L. 106-170). Yet, there were income and resource standards that an individual needed to meet to be able to qualify for this group. Hawaii submitted SPA 25-0016 and was approved on March 17, 2026 with an effective date of January 01, 2026 to remove the income and resource standards in Sections C and D of the “Ticket to Work Basic” reviewable unit, expanding this group to individuals who would have qualified except for excess income or resources.

FILING INSTRUCTIONS:

Review the new “Ticket to Work Basic” reviewable unit and file in your Medicaid State Plan Manual as follows:

Ticket to Work Basic Reviewable Unit

Remove OLD Ticket to Work reviewable unit.

Replace with AMENDED Ticket to Work reviewable unit.

The Med-QUEST Division amendment described above has been incorporated into the electronic version of the Medicaid State Plan located at the Department of Human Services website link for public transparency below:

<http://humanservices.hawaii.gov/reports/hawaii-medicaid-state-plan/>

Attachments

C: Attorney General's Office
Audit, Quality Control & Research Office/Quality Control Staff
Clinical Standards Office
Department of Health/Child & Adolescent Mental Health Division
Department of Health/State Planning Council Developmental Disabilities
Department of Health/Developmental Disabilities Division
Department of Human Services/Adult Protective and Community Services Branch
Department of Human Services/Policy and Program Development Office
Eligibility System Project (KOLEA)
Finance Office
Hawaii Document Center/HI State Library
Hawaii Legislative Reference Bureau Library
Health Care Services Branch
Legal Aid Society of Hawaii

HI - Submission Package - HI2025MS0003O - (HI-25-0016) - Eligibility

Summary Reviewable Units Approval Letter News Related Actions

CMS-10434 OMB 0938-1188

Package Information

Package ID	HI2025MS0003O	Submission Type	Official
Program Name	N/A	State	HI
SPA ID	HI-25-0016	Region	San Francisco, CA
Version Number	1	Package Status	Approved
Submitted By	Jodeen Wai	Submission Date	1/2/2026
Package Disposition			
		Approval Date	3/17/2026 9:45 AM EDT

Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

Package Header

Package ID HI2025MS00030
Submission Type Official
Approval Date 03/17/2026
Superseded SPA ID N/A

SPA ID HI-25-0016
Initial Submission Date 1/2/2026
Effective Date N/A

State Information

State/Territory Name: Hawaii

Medicaid Agency Name: Med-QUEST Division (MQD)

Submission Component

- ☒ State Plan Amendment
- ☒ Medicaid
- ☐ CHIP

Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS0003O | HI-25-0016

Package Header

Package ID	HI2025MS0003O	SPA ID	HI-25-0016
Submission Type	Official	Initial Submission Date	1/2/2026
Approval Date	03/17/2026	Effective Date	N/A
Superseded SPA ID	N/A		

SPA ID and Effective Date

SPA ID HI-25-0016

Reviewable Unit	Proposed Effective Date	Superseded SPA ID
Optional Eligibility Groups	1/1/2026	HI-25-0001
Ticket to Work Basic	1/1/2026	HI-21-0004

Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

Package Header

Package ID	HI2025MS00030	SPA ID	HI-25-0016
Submission Type	Official	Initial Submission Date	1/2/2026
Approval Date	03/17/2026	Effective Date	N/A
Superseded SPA ID	N/A		

Executive Summary

Summary Description Including Goals and Objectives 25-0016 Ticket to Work Basic Reviewable Unit updates 21-0004 by removing the income and resource standards, effective 01/01/26.

Federal Budget Impact and Statute/Regulation Citation

Federal Budget Impact

	Federal Fiscal Year	Amount
First	2026	\$0
Second	2027	\$0

Federal Statute / Regulation Citation

1902(a)(10)(A)(ii)(XV), Act 155, (2019) Earned Income Disregard or "Kal's Law".

Supporting documentation of budget impact is uploaded (optional).

Name	Date Created	
SPA 25-0016 CMS 179 - signed	1/2/2026 2:24 PM EST	
25-0016 Medicaid Funding Questionsje01.02.26	1/2/2026 2:26 PM EST	

Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

Package Header

Package ID HI2025MS00030
Submission Type Official
Approval Date 03/17/2026
Superseded SPA ID N/A

SPA ID HI-25-0016
Initial Submission Date 1/2/2026
Effective Date N/A

Governor's Office Review

- ☐ No comment
- ☐ Comments received
- ☐ No response within 45 days
- ☒ Other

Describe Hawaii allows for Medicaid Director to review and authorize under current Governor.

Submission - Medicaid State Plan

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

CMS-10434 OMB 0938-1188

The submission includes the following:

☐ Administration

☒ Eligibility

☐ Income/Resource Methodologies

☐ Income/Resource Standards

☐ Mandatory Eligibility Groups

☒ Optional Eligibility Groups

Reviewable Unit Name	Included in Another Submission Package	Source Type
Optional Eligibility Groups		APPROVED

☐ Non-Financial Eligibility

☐ Eligibility and Enrollment Processes

☐ Benefits and Payments

Submission - Public Comment

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

Package Header

Package ID	HI2025MS00030	SPA ID	HI-25-0016
Submission Type	Official	Initial Submission Date	1/2/2026
Approval Date	03/17/2026	Effective Date	N/A
Superseded SPA ID	N/A		

Indicate whether public comment was solicited with respect to this submission.

- ☐ Public notice was not federally required and comment was not solicited
- ☐ Public notice was not federally required, but comment was solicited
- ☒ Public notice was federally required and comment was solicited

Indicate how public comment was solicited:

- ☐ Newspaper Announcement
- ☐ Publication in state's administrative record, in accordance with the administrative procedures requirements
- ☐ Email to Electronic Mailing List or Similar Mechanism
- ☒ Website Notice

Select the type of website

- ☒ Website of the State Medicaid Agency or Responsible Agency

Date of Posting: Dec 4, 2025

Website URL: <https://medquest.hawaii.gov/en/about/state-plan-1115.html>

- ☐ Website for State Regulations
- ☐ Other

- ☐ Public Hearing or Meeting
- ☐ Other method

Upload copies of public notices and other documents used

Name	Date Created	
SPA 25-0016 Public Notice and Attachment posted 12.04.25	12/24/2025 4:52 PM EST	

Upload with this application a written summary of public comments received (optional)

Name	Date Created	
No items available		

Indicate the key issues raised during the public comment period (optional)

- ☐ Access
- ☐ Quality
- ☐ Cost
- ☐ Payment methodology
- ☐ Eligibility
- ☐ Benefits
- ☐ Service delivery
- ☐ Other issue

Submission - Tribal Input

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

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Superseded SPA ID	N/A		

One or more Indian Health Programs or Urban Indian Organizations furnish health care services in this state

- ☐ Yes
- ☒ No

Medicaid State Plan Eligibility

Optional Eligibility Groups

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

Package Header

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Submission Type	Official	Initial Submission Date	1/2/2026
Approval Date	03/17/2026	Effective Date	1/1/2026
Superseded SPA ID	HI-25-0001		
System-Derived			

A. Options for Coverage

The state provides Medicaid to specified optional groups of individuals.

☒ Yes ☐ No

The optional eligibility groups covered in the state plan are (elections made in this screen may not be comprehensive during the transition period from the paper-based state plan to MACPro):

Families and Adults

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Optional Coverage of Parents and Other Caretaker Relatives		☒	☐	☐	CONVERTED
Reasonable Classifications of Individuals under Age 21		☒	☐	☐	NEW
Children with Non-IV-E Adoption Assistance		☒	☐	☐	CONVERTED
Independent Foster Care Adolescents		☐	☐	☐	NEW
Optional Targeted Low Income Children		☒	☐	☐	CONVERTED
Individuals above 133% FPL under Age 65		☐	☐	☒	NEW
Individuals Needing Treatment for Breast or Cervical Cancer		☒	☐	☐	NEW
Individuals Eligible for Family Planning Services		☐	☐	☐	NEW
Individuals with Tuberculosis		☐	☐	☐	NEW
Individuals Electing COBRA Continuation Coverage		☐	☐	☐	NEW

Aged, Blind and Disabled

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Individuals Eligible for but Not Receiving Cash Assistance		☒	☐	☐	NEW

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Individuals Eligible for Cash Except for Institutionalization		☒	☐	☐	NEW
Individuals Receiving Home and Community-Based Waiver Services under Institutional Rules		☒	☐	☐	NEW
Optional State Supplement Beneficiaries		☒	☐	☒	APPROVED
Individuals in Institutions Eligible under a Special Income Level		☐	☐	☐	NEW
PACE Participants		☐	☐	☐	NEW
Individuals Receiving Hospice		☒	☐	☐	NEW
Children under Age 19 with a Disability		☐	☐	☐	NEW
Age and Disability-Related Poverty Level		☒	☐	☐	NEW
Work Incentives		☐	☐	☐	NEW
Ticket to Work Basic		☒	☒	☐	APPROVED
Ticket to Work Medical Improvements		☐	☐	☐	NEW
Family Opportunity Act Children with a Disability		☐	☐	☐	NEW
Individuals Receiving State Plan Home and Community-Based Services		☐	☐	☐	NEW
Individuals Receiving State Plan Home and Community-Based Services Who Are Otherwise Eligible for HCBS Waivers		☐	☐	☐	NEW

Optional Eligibility Groups

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

Package Header

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Submission Type	Official	Initial Submission Date	1/2/2026
Approval Date	03/17/2026	Effective Date	1/1/2026
Superseded SPA ID	HI-25-0001		
System-Derived			

B. Medically Needy Options for Coverage

The state provides Medicaid to specified groups of individuals who are medically needy.

☒ Yes ☐ No

The medically needy eligibility groups covered in the state plan are:

1. Mandatory Medically Needy:

Families and Adults

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Medically Needy Pregnant Women		☒	☐	☐	NEW
Medically Needy Children under Age 18		☒	☐	☐	NEW

Aged, Blind and Disabled

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Protected Medically Needy Individuals Who Were Eligible in 1973		☒	☐	☐	NEW

2. Optional Medically Needy:

Families and Adults

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Medically Needy Reasonable Classifications of Individuals under Age 21		☒	☐	☐	NEW
Medically Needy Parents and Other Caretaker Relatives		☐	☐	☐	NEW

Aged, Blind and Disabled

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Medically Needy Populations Based on Age, Blindness or Disability		☒	☐	☐	NEW

Optional Eligibility Groups

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

Package Header

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Superseded SPA ID	HI-25-0001		
	System-Derived		

C. Additional Information (optional)

Eligibility Groups Deselected from Coverage

The following eligibility groups were previously covered in the source approved version of the state plan and deselected from coverage as part of this submission package:

- N/A

Medicaid State Plan Eligibility

Eligibility Groups - Options for Coverage

Ticket to Work Basic

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS0003O | HI-25-0016

Individuals between ages 16 and 64 with a disability, who have earned income.

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Superseded SPA ID	HI-21-0004		
	System-Derived		

The state covers the optional Ticket to Work basic eligibility group in accordance with the following provisions:

Ticket to Work Basic

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Superseded SPA ID	HI-21-0004		
	System-Derived		

A. Characteristics

Individuals qualifying under this eligibility group must meet the following criteria:

1. Are at least age 16 but less than 65 years of age.
2. Have earned income.
3. But for earned income, meet the SSI definition of disability.
4. Have income and resources that do not exceed the standards established by the state.

Ticket to Work Basic

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	System-Derived		

B. Financial Methodologies

1. SSI methodologies are used in calculating household income and resources.

- ☒ Yes
- ☐ No

Please refer as necessary to Non-MAGI Methodologies, completed by the state.

2. Less restrictive methodologies are used in calculating countable income.

- ☐ Yes
- ☒ No

3. Less restrictive methodologies are used in calculating countable resources.

- ☐ Yes
- ☒ No

Ticket to Work Basic

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	System-Derived		

C. Income Standard Used

The income standard for this group is:

- ☒ 1. No income standard
- ☐ 2. A percentage of the federal poverty level:
- ☐ 3. A percentage of the SSI Federal Benefit Rate:
- ☐ 4. A dollar amount
- ☐ 5. Other

Ticket to Work Basic

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS0003O | HI-25-0016

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Superseded SPA ID	HI-21-0004		
	System-Derived		

D. Resource Standard Used

The resource standard for this group is:

- ☒ 1. No resource standard
- ☐ 2. SSI resource standard
- ☐ 4. A dollar amount higher than the SSI resource standard

Ticket to Work Basic

MEDICAID | Medicaid State Plan | Eligibility | HI2025MS00030 | HI-25-0016

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E. Premiums and Cost Sharing

Requirements for premiums and cost sharing for this group are found in the premium and cost sharing sections of the state plan.

Ticket to Work Basic

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	System-Derived		

F. Additional Information (optional)

PRA Disclosure Statement: Centers for Medicare & Medicaid Services (CMS) collects this mandatory information in accordance with (42 U.S.C. 1396a) and (42 CFR 430.12); which sets forth the authority for the submittal and collection of state plans and plan amendment information in a format defined by CMS for the purpose of improving the state application and federal review processes, improve federal program management of Medicaid programs and Children's Health Insurance Program, and to standardize Medicaid program data which covers basic requirements, and individualized content that reflects the characteristics of the particular state's program. The information will be used to monitor and analyze performance metrics related to the Medicaid and Children's Health Insurance Program in efforts to boost program integrity efforts, improve performance and accountability across the programs. Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1188. The time required to complete this information collection is estimated to range from 1 hour to 80 hours per response (see below), including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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