

MAR 07 2025

SENATE RESOLUTION

URGING THE GOVERNOR TO DETERMINE A COURSE OF ACTION FOR THE
STATE, SHOULD THE FEDERAL GOVERNMENT CUT FUNDING FOR
MEDICAID.

1 WHEREAS, Medicaid provides comprehensive health and long-
2 term care to more than seventy-two million Americans with
3 limited income and resources who meet eligibility requirements,
4 including children, adults, seniors, and people with
5 disabilities; and

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7 WHEREAS, Hawaii's state Medicaid program, Med-QUEST,
8 provides health care coverage to approximately one in five
9 Hawaii residents and one in three children and serves as a
10 cornerstone of Hawaii's health care infrastructure and a
11 lifeline for vulnerable population; and

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13 WHEREAS, in fiscal year 2023, the total Medicaid spending
14 in Hawaii was \$3,000,000,000, of which seventy-three percent was
15 paid by the federal government, which highlights the impact
16 federal funding has on Medicaid services in the State; and

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18 WHEREAS, Federally Qualified Health Centers (FQHCs) are
19 federally funded entities that meet certain requirements,
20 including providing care to patients regardless of the ability
21 to pay; and

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23 WHEREAS, Hawaii's FQHCs provide critical health care
24 services at over one hundred sites; in 2023 they served 158,448
25 patients, including over forty-five thousand children, twenty-
26 five thousand kupuna, 7,520 individuals experiencing
27 homelessness, 3,568 veterans, and 1,744 agricultural workers,
28 which demonstrates the wide-ranging impact and reach FQHCs have
29 amongst the most vulnerable groups in the State; and

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31 WHEREAS, Hawaii's FQHCs predominately serve low-income
32 populations, with over fifty percent of patients seen at FQHCs



1 living below the federal poverty level and fifty-seven percent
2 insured through Medicaid, which highlights Medicaid's
3 indispensable role in enabling care for Hawaii's underserved
4 communities; and

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6 WHEREAS, Hawaii's FQHCs provide high-quality, cost-
7 effective care that reduces overall health expenditures in the
8 State; for example, in 2023, medical expenditures were reduced
9 by twenty-four percent for Hawaii Medicaid patients who received
10 services at an FQHC compared to Medicaid patients who received
11 care via other providers, which generated about \$215,800,000 in
12 savings to Medicaid and \$301,000,000 in savings to the overall
13 health system; and

14
15 WHEREAS, Hawaii's FQHCs also stimulate the State's economy;
16 for example, in 2023, FQHCs employed two thousand ten staff
17 directly and supported 3,594 total jobs, which generated over
18 \$23,100,000 for state and local tax revenues and had a total
19 economic impact of over \$580,300,000; and

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21 WHEREAS, in February 2025, a budget resolution was passed
22 by the United States House of Representatives that approved a
23 drastic reduction for Medicaid funding of more than
24 \$800,000,000,000 over the next ten years and elimination of the
25 federal Patient Protection and Affordable Care Act (ACA)
26 expansion match rate, which would drastically curtail federal
27 support for Hawaii's health care programs and the Medicaid-
28 enrolled population; and

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30 WHEREAS, a study by the Kaiser Family Foundation, a
31 nonpartisan organization that researches and reports on health
32 policy in the United States, examined the impact of eliminating
33 the ACA Medicaid expansion, wherein the federal government pays
34 ninety percent of the costs for Medicaid expansion enrollees,
35 under two scenarios:

- 36
37 (1) Assuming that all expansion states maintain Medicaid
38 expansion coverage and pick up new expansion costs,
39 federal Medicaid spending would decrease by ten
40 percent (or \$626,000,000,000) and state Medicaid
41 spending would increase by seventeen percent (or
42 \$626,000,000,000) over a 10-year period; and



1
2 (2) Assuming that all states drop the ACA Medicaid
3 expansion coverage in response to the elimination of
4 the ninety percent federal match rate, federal
5 Medicaid spending would decrease by twenty-five
6 percent (or \$1,700,000,000,000), and state Medicaid
7 spending would decrease by five percent (or
8 \$186,000,000,000) over a ten-year period; and
9
10 WHEREAS, under the second scenario, total Medicaid spending
11 would be cut by nearly one-fifth (or \$1,900,000,000,000), and
12 nearly a quarter of all Medicaid enrollees, twenty million
13 people nationally, would lose coverage; and
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15 WHEREAS, only states that have adopted the Medicaid
16 expansion would see any spending or enrollment impacts under
17 this policy proposals, though changes would vary by state; and
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19 WHEREAS, according to the study, if Hawaii picked up the
20 new expansion costs under scenario 1, the anticipated loss of
21 federal funding per fiscal year that would need to be offset by
22 State funds is \$3,200,000,000; and
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24 WHEREAS, under scenario 2, in which Hawaii would drop
25 Medicaid expansion coverage, federal Medicaid funding would
26 decrease by \$9,400,000,000 while state Medicaid funding would
27 decrease by \$1,000,000,000 annually and result in one hundred
28 fifty-six thousand people, or thirty-four percent of Hawaii's
29 total Medicaid population, losing coverage; and
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31 WHEREAS, if Hawaii maintains Medicaid expansion coverage in
32 the wake of this policy change, lawmakers will need to increase
33 the general fund appropriation to HMS401 on a continual basis or
34 find new sources of funding for this vital program; and
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36 WHEREAS, such severe cuts to Medicaid would have dire
37 consequences for the State and FQHCs, such as reducing health
38 coverage for Medicaid patients, increasing the number of
39 uninsured individuals, decreasing access to care, and reversing
40 positive health outcomes associated with Medicaid expansion; and
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1 WHEREAS, the federal government has also initiated massive
2 reductions in the federal workforce that will increase the
3 number of uninsured workers and their families in the State,
4 which will have a significant impact on Hawaii's Medicaid
5 program; now, therefore,
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7 BE IT RESOLVED by the Senate of the Thirty-third
8 Legislature of the State of Hawaii, Regular Session of 2025,
9 that the Governor is urged to determine a course of action for
10 the State, should the federal government cut funding for
11 Medicaid; and
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13 BE IT FURTHER RESOLVED that the Governor is urged to
14 consult with the members of Hawaii's congressional delegation to
15 ascertain the impacts of pending federal legislation on Medicaid
16 expansion and the timing of any reduction in federal funding;
17 and
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19 BE IT FURTHER RESOLVED that the Governor is requested to
20 submit a report of any findings and recommendations, including
21 proposed legislation, to the Legislature no later than twenty
22 days prior to the convening of the Regular Session of 2026; and
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24 BE IT FURTHER RESOLVED that certified copies of this
25 Resolution be transmitted to each respective member of Hawaii's
26 congressional delegation, the Governor, Director of Commerce and
27 Consumer Affairs, Director of Health, Director of Human
28 Services, and Director of Finance.
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OFFERED BY: 

