

JAN 30 2026

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# A BILL FOR AN ACT

RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS.

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

1       SECTION 1. The legislature finds that, pursuant to Senate  
2 Concurrent Resolution No. 81, Regular Session of 2018, a working  
3 group submitted to the 2019 legislature a report examining how  
4 the department of education could maximize medicaid  
5 reimbursements for support services offered to eligible  
6 students, specifically to special education youth having severe  
7 mental health conditions.

8       The legislature believes that, given the critical  
9 importance of providing all students with a quality public  
10 education, further oversight and an updated plan are needed to  
11 ensure that the department continues to maximize medicaid  
12 reimbursements for administrative and support services for  
13 students with special needs.

14       Accordingly, the purpose of this Act is to require the  
15 department of education to provide:



1       (1) An updated plan to maximize medicaid reimbursements  
2           for administrative and support services for students  
3           with special needs; and

4       (2) Annual reports on the status of the plan's  
5           implementation.

6       SECTION 2. Chapter 302A, Hawaii Revised Statutes, is  
7   amended by adding a new section to part II, subpart C, to be  
8   appropriately designated and to read as follows:

9       "§302A-       Medicaid reimbursement for support services;  
10   students with special needs; reporting requirements. (a) The  
11   department shall establish an updated plan to maximize medicaid  
12   reimbursements for administrative and support services provided  
13   to students with special needs. The department may amend the  
14   plan as necessary to carry out the purposes of this section.  
15       (b) The department of education, in consultation with the  
16   med-QUEST division of the department of human services, shall  
17   submit a report to the legislature no later than twenty days  
18   prior to the convening of each regular session, providing the  
19   status of the department's plan and efforts pursuant to  
20   subsection (a). The report shall include:



- 1        (1) A copy of the plan established pursuant to  
2        subsection (a) and the status of the plan's  
3        implementation;
- 4        (2) A detailed explanation of how the following medicaid  
5        claim requirements shall be met:
- 6            (A) Service documentation for the individualized  
7            education program of applicable students;
- 8            (B) Confirmation of a student's medicaid eligibility;
- 9            (C) Records of completed parental consent forms;
- 10          (D) Documentation indicating that all reported  
11          services provided are appropriate, medically  
12          necessary, and covered by med-QUEST, in addition  
13          to any other details required for services  
14          provided; and
- 15          (E) Documentation substantiating that any medicaid  
16          reimbursable service provided was delivered by a  
17          licensed and medicaid-enrolled provider or by  
18          select professionals under the supervision of a  
19          licensed provider;
- 20        (3) Training materials and evidence of successful training  
21        on medicaid reimbursable school-based services rules



1 and requirements for department of education staff,  
2 including the assistant superintendent for student  
3 support services, special education section, district  
4 education specialists, student coordinators, teachers,  
5 and providers;

6 (4) Detailed information on the department's procedures  
7 for identifying the medically necessary needs of  
8 special education students, and if eligible for  
9 medicaid reimbursement, the complete process of  
10 pursuing reimbursement;

11 (5) An evaluation of the department's progress in  
12 implementing the updated plan, including monthly  
13 indicators of the total:

14 (A) Number of students served, classified by complex  
15 area;

16 (B) Number of eligible administrative and support  
17 services provided, classified by complex area;  
18 and

19 (C) Amount of federal reimbursement leveraged for  
20 eligible services, including both direct service



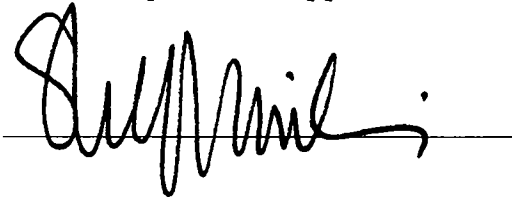
1                   claiming and administrative claiming, classified  
2                   by complex area; and  
3       (6) Information detailing how reimbursement moneys are  
4                   being reinvested."

5       SECTION 3. New statutory material is underscored.

6       SECTION 4 This Act shall take effect upon its approval.

7

INTRODUCED BY:





# S.B. NO. 3325

**Report Title:**

DOE; DHS; Med-QUEST; Medicaid Reimbursement; Students with Special Needs; Special Education; IEP; Administrative and Support Services; Annual Report

**Description:**

Requires the Department of Education to establish an updated plan for maximizing medicaid reimbursements for administrative and support services provided to students with special needs. Requires annual reports to the Legislature.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

