STAND. COM. REP. NO. 3673

Honolulu, Hawaii

APR 0 9 2026

RE: H.B. No. 1854
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1854, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COMMUNITY BEHAVIORAL HEALTH CLINICS,"

begs leave to report as follows:

The purpose and intent of this measure is to promote consistency and accessibility to mental health and substance abuse services for people across the State.

More specifically, this measure:

(1) Establishes a Community Behavioral Health Clinics Certifying Office to certify community behavioral health clinics and provide technical assistance for clinics seeking certification under federal guidelines;

(2) Requires that the Hawaii Advisory Commission on Drug Abuse and Controlled Substances include a representative of the Community Behavioral Health Clinics Certifying Office;

(3) Requires that the State Council on Mental Health include a representative of the Community Behavioral Health Clinics Certifying Office; and

(4) Appropriate moneys for the Community Behavioral Health Clinics Certifying Office.

Your Committee received written comments in support of this measure from the Department of Health and State Council on Mental Health.

Your Committee received written comments on this measure from the Department of the Attorney General.

Your Committee finds that certified community behavioral health clinics deliver comprehensive, integrated behavioral health care by combining mental health and substance use treatment with crisis services, care coordination, and connections to physical health. Your Committee further finds that establishing a Community Behavioral Health Clinics Certifying Office will enable the State to certify community behavioral health clinics, thereby allowing those clinics to qualify for enhanced Medicaid reimbursement.

Your Committee has amended this measure by adopting the technical amendments offered by the Department of the Attorney General to:

(1) Assign decertification authority to the Community Behavioral Health Clinics Certifying Office rather than the Community Behavioral Health Clinics Oversight Board;

(2) Establish clear procedures for decertification; and

(3) Clarify the State's role and limit the scope of potential liability relating to the certification of such clinics.

Your Committee notes the written comments by the State Council on Mental Health raising concern about adding a twenty-second seat to the Council, designated for the Community Behavioral Health Clinics Certifying Office. The Council cautioned that an additional government-designated position could unintentionally disrupt the balance required both under section 334-10, HRS, and federal law by affecting required ratios, limiting appointment flexibility, and shifting the Council away

from its sector-based structure. Accordingly, your Committee respectfully requests that subsequent Committees to which this measure is referred consider these issues as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1854, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1854, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the

DONOVAN M. DELA CRUZ, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
HB1854, HD1, SD1	HHS, WAM	4/6/2026

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☒ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris				X
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	12	0	0	1

Recommendation: ☒ Adopted ☐ Not Adopted

Chair's or Designee's Signature:

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26