

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKUĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 5, 2026

To: The Honorable Lisa Marten, Chair,
The Honorable Ikaika Olds, Vice Chair, and
Members of the House Committee on Human Services & Homelessness

Date: Thursday, February 5, 2026
Time: 9:30 a.m.
Place: Conference Room 329, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 1546 RELATING TO HEALTH INSURANCE.

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR offers comments** as it appreciates the intent of this measure but has concerns about employers potentially reclassifying workers to avoid and undermine Prepaid Health Care Act (PHC) obligations.

HB1546 proposes to:

- Establish a three-year Health Coverage Continuity Pilot Program by the Department of Human Services (DHS), in consultation with the Department of Commerce and Consumer Affairs (DCCA), to support individuals who lost Medicaid coverage and lack access to affordable insurance options,
- Authorize DHS to issue premium subsidies or vouchers and to accept employer contributions, provided that the benefit shall be portable and follow the individual without imposing compliance or administrative obligations on the State or an employer, and
- Provide low-premium bronze-level or catastrophic health insurance plans approved by the insurance commissioner.

II. CURRENT LAW

Chapter 393, Hawaii Revised Statutes, the PHC Act, requires employers to provide health care coverage to employees who meet the minimum requirements set by the law.

III. COMMENTS ON THE HOUSE BILL

The Department appreciates the intent of this bill as it addresses a real and growing coverage gap in Hawaii's health system.

The Department offers the following comments:

- Healthcare plans with high deductibles and catastrophic coverage would leave these non-traditional workers with a significant out-of-pocket cost. Individuals who already struggle financially may not be able to meet deductibles or out-of-pocket costs, resulting in people delaying or avoiding care.
- Employers may be incentivized to place workers into nontraditional arrangements to avoid and undermine PHC Act obligations



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII

OFFICE OF THE DIRECTOR

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

KA 'OIHANA PILI KĀLEPA

335 MERCHANT STREET, ROOM 310

P.O. BOX 541

HONOLULU, HAWAII 96809

Phone Number: 1-844-808-DCCA (3222)

Fax Number: (808) 586-2856

cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I. HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Human Services & Homelessness
Thursday, February 5, 2026
9:30 a.m.**

State Capitol, Conference Room 329 and via videoconference

**On the following measure:
H.B. 1546, RELATING TO HEALTH INSURANCE**

Chair Marten, Vice Chair Olds, and Members of the Committee:

My name is Scott K. Saiki and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to (1) establish a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options. Authorizes the Department of Human Services to contract with a nonprofit health insurer or community-based organization to operate the Pilot Program; provided that the Department shall allow the operator to access state-backed reinsurance or risk stabilization support for the operator of the Pilot Program; (2) authorize the Department of Human Services to: (i) issue premium subsidies or vouchers; and (ii) accept employer contributions; provided that the benefit shall be portable and follow the individual without

imposing compliance or administrative obligations on the State or an employer; (3) require reports to the Legislature; and (4) repeals 6/30/2029.

The Department appreciates the intent of H.B. 1546 as a bridge to affordable, continuous health insurance for residents who are most vulnerable to losing Medicaid coverage. The Department would like to note that “Bronze” and “Catastrophic” health insurance plans, similar to those described in Section 2(b)(3) of this measure, are already available for purchase in Hawaii. While these plans do offer the benefit of lower monthly premiums, they are characterized by high annual deductibles that may present a financial hurdle for participants. For the 2026 plan year, Bronze plans in Hawaii have an average deductible of approximately \$6,700. Catastrophic plans are required to have a deductible equal to the annual out-of-pocket maximum, which for 2026 is \$10,600 for an individual.

The Department notes that while H.B. 1546 requires these pilot plans to cover certain services like urgent care and telehealth, the overall financial design of Bronze and Catastrophic tiers means that enrollees would likely face significant out-of-pocket expenses for any major medical events before insurance coverage fully applies.

Additionally, the Department notes that Health Savings Accounts (HSA) allow an individual to make contributions to an investment account on a pre-tax basis which can be used to pay for certain qualified medical expenses such as deductibles and co-pays. However, individuals in the group that this measure aims to benefit – persons who would otherwise be qualified for Medicaid but for the recent changes to Medicaid eligibility and redetermination – may be at a federal poverty level such that they do not have the ability to make contributions to an HSA.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 3, 2026

TO: The Honorable Representative Lisa Marten, Chair
House Committee on Human Services and Homelessness

FROM: Ryan I. Yamane, Director

SUBJECT: **HB 1546 – RELATING TO HEALTH INSURANCE.**

Hearing: February 5, 2026, Time 9:30 a.m.
Conference Room 329 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the measure and offers comments. DHS respectfully requests that this program and appropriation not conflict with, reduce, or replace priorities identified in the executive budget. Furthermore, DHS requests that any increases be appropriated through the executive budget, rather than through a bill, so that they can be incorporated into and recur in the DHS base budget.

DHS appreciates that this bill seeks to develop a new health insurance option for Hawaii residents. The need for an alternate health insurance vehicle is driven by the expiration of the Enhanced Premium Tax Credits on the Federally Facilitated Marketplace (FFM), which has made insurance for the nearly 24,000 Hawaii residents far less affordable. In some cases, unaffordable, forcing a yet-to-be-determined number of residents to forego coverage and become uninsured in 2026.

The uninsured pool is almost certain to grow in 2027 as the provisions in the One Big Beautiful Bill Act, Public Law 119-21 (OBBA or HR1), eliminate access to Medicaid coverage for

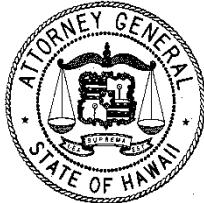
certain immigrants (effective 10/1/2027) and adults between 19-64 who do not meet the work and community engagement requirements (effective 1/1/2027).

While the DHS Med-QUEST Division (MQD) has already begun developing new system modifications, notices, communications, partnerships, and operational modifications to maximize continued coverage for eligible members, we estimate that between 19,000 – 38,000 currently enrolled adults could lose their Medicaid coverage beginning in 2027. Based on current MQD costs, covering the same number of people would cost approximately \$134,064,000 to \$268,128,000 per year with 100% state-only funding.

DHS defers to the Department of Commerce and Consumer Affairs (DCCA) on requirements for access to state-backed reinsurance or risk-stabilization support for the operator of the Pilot Program. DHS also seeks clarification from the Legislature on the issuance of premium subsidies or vouchers and the intent of employer contributions.

DHS notes that MQD currently operates a premium assistance program in coordination with Hawaii issuers on the Federal Facilitated Marketplace (FFM) for a select set of immigrants who are ineligible for Medicaid coverage because they have not yet met their 5-years of lawful presence required by federal law, but whose income is at a Medicaid-eligible level. There is potential to leverage or expand this kind of program to a broader group of enrollees on the FFM. To do so, MQD would need to establish new rules to define coverage groups and amounts. To accomplish this, additional funding would need to be appropriated.

Thank you for the opportunity to provide testimony on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

H.B. NO. 1546, RELATING TO HEALTH INSURANCE.

BEFORE THE:

HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS

DATE: Thursday, February 5, 2026 **TIME:** 9:30 a.m.

LOCATION: State Capitol, Room 329

TESTIFER(S): Anne E. Lopez, Attorney General, or
Martha C. Im, Deputy Attorney General

Chair Marten and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill establishes a three-year Health Coverage Continuity Pilot Program within the Department of Human Services to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options.

Section 2(f) of the bill (page 6, lines 3-9) directs the Department of Human Services to use "general appropriations" to implement the pilot program; however, the bill does not identify a specific appropriation amount or provide line-item authorization. As drafted, this wording does not constitute an appropriation. If the Legislature intends to fund the pilot program, an appropriation must be made, either in this bill or another appropriate bill, to provide funding for the purposes of this bill.

Thank you for the opportunity to provide testimony on this bill.

HB-1546

Submitted on: 2/2/2026 2:08:34 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Thomas Carlisle, MD, MPH	Hawaii Academy of Family Physicians (HAFP)	Support	Written Testimony Only

Comments:

COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS

Rep. Lisa Marten, Chair

Rep. Ikaika Olds, Vice Chair

Date: 2 FEBRUARY 2026

From: Hawai'i Academy of Family Physicians Legislative Committee (HAFP)

RE: HB 1546; Pilot Program to assist individuals who have lost QUEST coverage

Position: Support

Thank you for allowing testimony on SB 2087. The Hawai'i Academy of Family Physicians Legislative Committee (HAFP) recognizes that access to health care coverage and medical care is vital for the wellness of individuals and Hawai'i. The pending losses of coverage through Quest and the Marketplace for health care coverage risk to adverse outcomes in health and health care utilization with people presenting at more severe and advanced disease states. This pilot program is one of several actions integral in responding with care and aloha for the people of Hawaii. HAFP supports this and/or other creative means of ensuring basic health care access.

Thank you for allowing testimony on this bill.

Robert Thomas Carlisle, MD, MPH
Chair, Legislative Committee

Hawai‘i Academy of Family Physicians

advocacy@hafp.info



UNIVERSITY OF HAWAII SYSTEM

‘ÖNAEHANA KULANUI O HAWAII

Legislative Testimony
Hō‘ike Mana‘o I Mua O Ka ‘Aha‘olelo

Testimony Presented Before the
House Committee on Human Services & Homelessness
February 5, 2026 at 9:30 a.m.

By
Debora Halbert
Vice President for Academic Strategy
University of Hawai'i System

HB 1546 – RELATING TO HEALTH INSURANCE.

Chair Marten, Vice Chair Olds, and Members of the Committee:

The University of Hawai'i supports HB 1546 – Relating to Health Insurance. The University of Hawai'i (UH) serves a diverse student population across ten campuses, many of whom are part-time students, unemployed or underemployed, or individuals transitioning between insurance coverage. Findings from the UH Landscape Assessment of Student Basic Needs Insecurity published in 2025 demonstrate that health insecurity is closely intertwined with food and housing insecurity and is a significant barrier to student persistence, academic success, and timely degree completion. Students who experience lapses in health coverage are more likely to delay preventive care, forego needed treatment, and disengage from their studies due to unanticipated and unmanaged physical or mental health concerns.

HB 1546 responds directly to these challenges by creating a targeted, time-limited pilot program that provides affordable, portable health coverage options for individuals who fall into coverage gaps as a result of recent Medicaid redeterminations and federal eligibility changes. Of particular importance to UH is the bill's recognition of post-secondary students as an eligible population, including community college and university students who meet certain qualifications.

The bill's emphasis on preventive services, telehealth, urgent care, and essential prescription coverage aligns with evidence-based approaches identified in the UH Landscape Assessment, which highlight the need for accessible, low-barrier health services to support student well-being and educational continuity. By reducing disruptions in care, the proposed pilot program has the potential to mitigate downstream academic and financial impacts on students and institutions alike.

UH offers its support for the goals and framework of this measure and remains committed to collaborating with the Department of Human Services and community partners to promote student awareness of available resources and support student success. Thank you for the opportunity to provide testimony.



CATHOLIC CHARITIES HAWAII

SUPPORT FOR HB 1546: RELATING TO HEALTH INSURANCE

TO: House Committee on Human Services and Homelessness
FROM: Tina Andrade, President and CEO, Catholic Charities Hawai'i
Hearing: Thursday, 2/5/26, 9:30 AM; CR 329 or via Videoconference

Chair Marten, Vice Chair Olds, and the Committee on Human Services and Homelessness:

Thank you for the opportunity to testify in **strong support of HB 1546**, which establishes a pilot program to assist Hawai'i residents who have lost Medicaid coverage and lack access to affordable alternative insurance options.

Catholic Charities Hawai'i is a tax-exempt, community-based organization that has served individuals and families across Hawai'i for more than 78 years, providing essential services to those experiencing poverty, housing instability, trauma, and crisis.

With federal cuts looming for Medicaid, we are now at a critical juncture. Thousands of individuals—including kupuna, working families, and young adults—are at risk of falling through the cracks. Losing coverage interrupts access to medications, preventive services, behavioral health care, and necessary treatment for chronic conditions. For many, there is no affordable pathway to secure replacement coverage. Many of the clients that we serve are at high risk with chronic conditions and immediate needs for stable healthcare services.

This pilot program would provide a vital safety net for those losing Medicaid by guiding them through available options, offering temporary premium assistance, and ensuring continuity of care during a vulnerable period.

The need is clear. According to the State of Hawai'i's Med-QUEST enrollment data, **approximately 429,451 residents are currently enrolled in Medicaid managed care programs**. Each disenrollment—whether due to paperwork issues, income changes, or eligibility changes—represents a real person who may suddenly face medical and financial hardship. A structured, targeted pilot program would help minimize gaps in coverage and reduce downstream costs associated with delayed or foregone care. [\[medquest.hawaii.gov\]](http://medquest.hawaii.gov)

Investing in this pilot program is both fiscally responsible and morally imperative. By supporting residents who are losing Medicaid coverage, the Legislature can prevent avoidable medical crises, reduce uncompensated care burdens on hospitals, and uphold Hawai'i's long-standing commitment to access to health care.

Catholic Charities Hawai'i strongly urges your Committee to pass this measure and help ensure that Hawai'i residents do not lose access to healthcare. If you have any questions, please contact our Legislative Liaison, Betty Lou Larson, at (808) 527-4813.



House Committee on Human Services & Homelessness
February 5, 2026 at 9:30 AM
Room 329

Testimony in SUPPORT for HB1546

Aloha Chair Marten, Vice Chair Olds, and members of the Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our comments in **support of HB1546**, which would establish a three-year Health Coverage Continuity Pilot Program, to assist individuals who have lost Medicaid coverage and lack access to other affordable health insurance options.

The Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits that works to strengthen and unite the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Since 2006, HANO has been a leading voice for the nonprofit sector, leveraging resources, educating and advocating for policies and practices that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

HB1546 recognizes the challenges many Hawai'i residents will face as a result of federal changes to Medicaid eligibility and redetermination processes, and it offers an innovative approach to helping individuals maintain continuity of care while improving health outcomes for populations that may otherwise fall into coverage gaps. By authorizing the Department to contract with a nonprofit health insurer or community-based organization to operate the pilot program, the bill encourages collaboration and appropriately leverages trusted community-based networks that already serve residents in need.

HANO respectfully supports this pilot initiative and urges the Legislature to advance this measure with thoughtful consideration of equity, partnership, and sustainability in expanding access to affordable health coverage in Hawai'i.

Mahalo for the opportunity to submit testimony.



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Testimony to the House Committee on Human Services and Homelessness

Thursday, February 5, 2026; 9:30 a.m.

State Capitol, Conference Room 329

Via Videoconference

RE: HOUSE BILL NO. 1546, RELATING TO HEALTH INSURANCE.

Chair Marten, Vice Chair Olds, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS THE INTENT** of House Bill No. 1546, RELATING TO HEALTH INSURANCE.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This measure, as received by your Committee, would:

- (1) Establish a three-year Health Coverage Continuity Pilot Program (Program) within the Department of Human Services (DHS), in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options;
- (2) Authorize DHS to contract with a nonprofit health insurer or community-based organization to operate the Program under certain circumstances;
- (3) Authorize DHS to issue premium subsidies or vouchers and accept employer contributions, under certain circumstances.

The bill would take effect upon approval and be repealed on June 30, 2029.

At the outset, we note that this bill is identical to Senate Bill No. 2087, which was heard by the Senate Committee on Health and Human Services on February 2, 2026.

I. The Problem

During the interim following the Adjournment Sine Die of the 2025 Regular Session, three events took place that have enormous ramifications on Hawaii's social safety net. These were: the enactment of House Resolution No. 1 (H.R. 1), the "One Big Beautiful Bill" Act, which was signed into law on July 4, 2026; the reversal of interpretation of "federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, or "PRWORA", by the United States Department of Health and Human Services; and the announcement that the Center for Medicare and Medicaid Services will share personal data of Medicaid enrollees to Immigration and Customs Enforcement officials.

In tandem, these three developments will fundamentally alter Hawaii's Medicaid Program by shifting current Medicaid recipients to the uninsured population. Among other things, H.R. 1 will:

- (1) Prohibit the use of federal matching funds for health care services to immigrants not lawfully present under federal law, effective October 1, 2026;
- (2) Establish work or volunteer requirements for all Medicaid recipients of at least 80 hours per month (or 20 hours per week), effective December 31, 2026; and
- (3) Require redeterminations for every Medicaid recipient every six-months, also effective December 31, 2026.

Currently, Hawaii's uninsured population is estimated to be 38,400 or 2.8% of the total population. Based on research provided by the Kaiser Family Foundation as well as our review of Medicaid enrollment historically in Hawaii, we believe the uninsured population will at least double within two to three years if nothing is done.

Without health insurance coverage, citizens will no longer be able to manage chronic disease such as diabetes, high blood pressure, and other maladies. When they become ill, they will not get treated until the situation becomes so bad that they will need to go to a provider for emergency treatment. By then, the illness has become much more severe and costly to remedy. Also, by law, the emergency provider will have to provide stabilizing treatment to the patient regardless of the patient's ability to pay. These costs will subsequently be borne by the provider, creating additional stress to the safety net that is already facing reduced funding and reimbursement.

In the worst-case scenario, hospitals and FQHCs will not be able to treat the increase in indigent patients. While federal law requires FQHCs to provide services to all patients who are not eligible for Medicaid or private insurance on a sliding fee scale based on their ability to pay, federal grant funding to offset these costs were not adjusted to address the increase that will occur. As such, should Hawaii experience the largest projected increase in uninsured (and assuming that the level of services currently provided remains the same), FQHCs will run out of funds within two to three months.

II. A Possible Solution

On December 19, 2025, the Senate Joint Committee on Health and Human Services and Consumer Protection was briefed by MedQUEST and the State Health Planning and Development Agency (SHPDA) on the impacts of these federal policy changes. During that briefing, SHPDA Administrator Jack Lewin stated that during the Waihee Administration, the Department of Health ran a very successful program that provided coverage for persons who could not obtain employer-sponsored health insurance under the Prepaid Health Care Act, but were not eligible for Medicaid because of income restrictions. This coverage offered a significantly reduced package of benefits (i.e., up to 6 doctor visits and some prescription drugs) and was provided by Medicaid managed care plans under an agreement with the State. According to Dr. Lewin, the State agreed to cover loss costs that go beyond a certain level. However, Lewin stated that loss costs never reached that point and that the expenditure of additional general funds were not necessary.

When the State established the MedQUEST Program, the "gap group" coverage was transferred from the Department of Health to the Department of Human Services. However, according to Meredith Nichols, acting MedQUEST Administrator, when the Center for Medicare and Medicaid Services reviewed the coverage for the "gap group", they disallowed MedQUEST from offering it citing the need for coverages offered under the State's Medicaid Program to meet certain baseline benefit standards.

Despite this, the Green Administration did not submit a bill as part of his Legislative Package that would reestablishment of the "gap group" coverage under the Department of Health. However, the Program offered under this bill would appear to reflect much of what the SHPDA Administrator described in his presentation.

III. High Stakes

The establishment of a high deductible or catastrophic health plan could result in unintended consequences. Hawaii is the only state that requires employers to offer health insurance to employees who work more than 20 hours per week. Hawaii is able to do this because the Prepaid Health Care Act is exempted from federal preemption under the Employee Retirement Income Security Act of 1974. Hawaii retains this exemption so long as the substantive terms of the Prepaid Health Care Act are not materially changed.

It will be vital that the provision of a high deductible or catastrophic health plan not be construed by federal regulators as materially altering the Prepaid Health Care Act. Conceivably, this could happen if the implementation of such a program shifts the manner in which the Prepaid Health Care Act is enforced. Should that happen, such action could invalidate the preemption exemption that is necessary for the Prepaid Health Care Act to operate.

In addition, H.R. 1, includes provisions that require any program intended to replicate Medicaid benefits to a prohibited population be solely general funded. Violations of this could lead to the loss of more federal funding and the imposition of penalties to Hawaii's Medicaid Program.

Because of this, it will be vital for the Program proposed under this bill to be coordinated jointly by the Departments of Labor and Industrial Relations (Prepaid Health), Health (SHPDA), and Human Services (Medicaid).

In light of this, the HPCA respectfully urges your favorable consideration of this bill to facilitate further discussion.

For your information and files, attached please find the slides from a presentation given to the Office of the Governor in October 2025.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.

attachment



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Impacts of Recent Federal Policy Changes to Hawaii's FQHCs

Erik Abe, Public Affairs and Policy Director

Tuesday, October 14, 2025; 2:30 p.m.

Thank you for this opportunity to present HPCA's analysis of recent federal policy changes to Hawaii's FQHCs and our Medicaid System.

If I do this right, I should be able to get through this presentation in 15 minutes.



I. CHANGES TO FEDERAL LAW AND POLICY

Part I is entitled changes to federal law and policy.

Overview

- ▶ On July 4, 2025, President Trump signed H.R. 1, the “Big Beautiful Act” (OBBBA) into law. This new law fundamentally changes health care policy and reverses the direction the federal government had taken over the previous decade.
- ▶ On July 10, 2025, Health and Human Services (HHS) Secretary Robert Kennedy, Jr., published notice of the Department’s reversal of interpretation of the term “Federal public benefit” under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).
- ▶ On July 17, 2025, the Center for Medicare and Medicaid Services announced it will be providing Immigration and Customs Enforcement officials access to the personal data of 79 million Medicaid enrollees to help them track down immigrants who may not be living legally in the country.
- ▶ In tandem, these three developments will have enormous impacts on Hawaii’s Medicaid Program and federally qualified health centers.

There were three events that took place that change things -- the enactment of the "Big Beautiful Act"; the reversal of interpretation of "federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, or "PRWORA"; and the announcement that the Center for Medicare and Medicaid Services will share personal data of Medicaid enrollees to Immigration and Customs Enforcement Officials.

In tandem, these three developments have enormous impact on Hawaii's Medicaid Program and federally qualified health centers.

§71109 (OBBBA) and Medicaid Enrollment

- ▶ Prohibition for Undocumented Immigrants: §71109 [p. 590] - Prohibits federal match for services to immigrants not lawfully present under federal law.
- ▶ The FMAP for this cohort is currently 90%
- ▶ Of Hawaii's 405,742 Medicaid enrollees (as of March 4, 2025), approximately 100,000 are immigrants, of which 35,000 are undocumented (according to the Kaiser Family Foundation).
- ▶ When this provision takes effect on October 1, 2026, these 35,000 undocumented immigrants will be categorically disenrolled from Medicaid.
- ▶ Hawaii's uninsured population is estimated at 38,400 or 2.8% of the total population.
- ▶ On October 1, 2026, Hawaii's uninsured population will effectively DOUBLE overnight.

Prior to the enactment of the Big Beautiful Act, the federal government paid 90% of the costs incurred by immigrant Medicaid enrollees. However, Section 71109 of the Big Beautiful Act creates a categorical exclusion for service providers to receive federal reimbursement for undocumented immigrants.

According to the Kaiser Family Foundation, of the 400,000 Medicaid enrollees in Hawaii, one-fourth or 100,000 are believed to be immigrants, of which 35,000 are thought to be undocumented. When this provision takes effect on October 1, 2026, these 35,000 undocumented immigrants will be shifted from Medicaid enrollees to the uninsured.

Currently, the uninsured rate is 2.8 percent of the population or approximately 38,400. On October 1, 2026, this rate will effectively DOUBLE overnight.

PRWORA Baseline Clarification and OBBBA Enforcement

- ▶ According to MedQUEST, undocumented immigrants are already prohibited from receiving Medicaid benefits under PRWORA.
- ▶ Less than 3,000 current Medicaid enrollees are identified as undocumented enrollees.
- ▶ States may have enrolled individuals whose status was unresolved or whose documentation was incomplete, particularly in the context of continuous eligibility policies during the public health emergency and difficulties with redeterminations.
- ▶ PRWORA creates eligibility limitations, but OBBBA creates federal financial participation limitations.
- ▶ Even if someone is ineligible under PRWORA, enforcement of the reimbursement prohibition under OBBBA may still represent a material fiscal change for the State and FQHCs.
- ▶ Even if a state were to enroll undocumented immigrants using state-only funds, federal Medicaid matching is now barred for undocumented immigrants.

When we shared this information with our partner safety net organizations, MedQUEST responded that currently, less than 3,000 were logged in their system as "undocumented enrollees". We believe there are many more immigrants who are receiving benefits because while PRWORA establishes eligibility limitations at the time of application, these limitations do not preclude the states from paying for these benefits through general funds, as is the case with California, and Illinois, most notably. Because of this, we believe there are many more undocumented immigrants already enrolled in Medicaid.

The Big Beautiful Act changes things by establishing a federal reimbursement prohibition and enforcement mechanisms that will place greater responsibility on the States and providers to verify the eligibility of all Medicaid recipients.

§71107 (OBBBA) and 6-Month Redeterminations

- ▶ During the post-COVID unwind, states saw steep drops in the first 6-12 months, but then enrollment flattened as they reached stable caseload.
- ▶ Based on Hawaii's variance reports, after initial 5-6% drop, later cycles showed closer to 2-3% attrition, pointing toward equilibrium effect already starting.
- ▶ Nationally, pre-COVID Medicaid programs averaged annual churn of 10-12%.
- ▶ Initial 6-12 months (mid-2025 to mid 2026) steeper disenrollment, about 5-6% per cycle at first. This reflects clearing the backlog of people who lost eligibility during the PHE or didn't complete paperwork.
- ▶ Following 12-18 months (late 2026 through 2027) attrition slows to 2-3% per cycle as the remaining population stabilizes. This is the diminishing returns phase.
- ▶ Equilibrium by 24-30 months (late 2027 into early 2028), enrollment should level out. At this point, churn reflects only normal eligibility turnover rather than systemic procedural disenrollment.
- ▶ Over a three-year period, between 30,000 to 40,000 enrollees will be disenrolled.

The Big Beautiful Act also shortens the redetermination period for Medicaid enrollees from annually to every six months. Based on the Hawaii experience after the COVID flexibilities were removed prior to President Trump taking office, we believe that Hawaii will see a similar sharp decline in enrollment in the first twelve months and then a flattening over the following 24 months to an equilibrium point of 2-3% attrition every redetermination cycle.

Over the next three years, we believe between 30,000 and 40,000 Medicaid enrollees will be disenrolled.

§71119 (OBBA) and Work Requirements

- ▶ Effective October 1, 2025, unless delayed by waiver (Hawaii may seek a 2-year delay to October 2027), Medicaid enrollees must document 80-hours/month of employment or volunteering.
- ▶ National research shows work requirements will cause 5-10% disenrollment, mostly from procedural burdens rather than actual non-compliance.
- ▶ If applied to Hawaii, that might translate to 20,000-30,000 enrollees at risk
- ▶ If Hawaii wins a delay, this effect won't hit until FY 2028, after the immigrant disenrollment.

The Big Beautiful Act also establishes a requirement that all enrollees must work or volunteer at least 80 hours per month to remain eligible for Medicaid. National research indicates that work requirements will cause between 5 to 10% disenrollment, mostly from procedural burdens rather than actual non-compliance.

If applied to Hawaii, that might translate to 20,000 to 30,000 enrollees at-risk.

Hawaii might be able to delay this by two years if MedQUEST is successful in obtaining a two-year waiver from HHS.

OBBA Impact on Hawaii's Medicaid Population

- ▶ Starting with Baseline (405,000 enrollees, March 2025)
- ▶ Apply Redetermination Churn (minus 30,000 to 40,000 enrollees)
- ▶ Apply Undocumented Immigrant Disenrollment (but recognizing some may already fall off via churn) (minus 20,000 to 25,000 enrollees)
- ▶ Apply Work Requirements (but recognizing overlap with prior churn) (minus 15,000 to 20,000 enrollees)
- ▶ **TOTAL DISENROLLMENT-- 65,000 to 85,000 enrollees over the next three years**
- ▶ The Average Hawaii Medicaid expenditures per actual enrollee is \$6,762.47, based on a survey of variance reports published by the Hawaii State Department of Budget and Finance over the past decade.
- ▶ **GENERAL FUND IMPACT -- \$439.5 to \$574.8 MILLION over the next three years**

When you look at the entire picture taking into account duplication from persons who might be disenrolled for more than one reason, the HPCA used various models to get an idea of the scale of the impacts. A lot of assumptions were made in analyzing the worst-case scenario to get an idea of the fiscal impact.

We believe that between 65,000 to 85,000 enrollees will be disenrolled over the next three years if Hawaii is not able to obtain a two-year waiver for work requirements. If we get the waiver, this might be stretched over five years.

We looked at the total expenditures from HMS401, Hawaii's Medicaid Program, over the past 10 fiscal years as reported in the variance reports. Using the number of enrollees listed in those reports, we found the average expenditure per enrollee to be \$6,762.47. Applying that average to the projected number of persons disenrolled, we believe the fiscal impact to be between \$439.5 to \$574.8 million over the next three to five years.



II. IMPACTS ON HAWAII'S FQHCS

Keeping all of this in mind, I'd like to now share how we think this will impact FQHCs and the Social Safety Net.

Main Points

- ▶ Medicaid and most HHS funds can no longer be used for care to undocumented immigrants, except for emergency care, immunizations, and communicable disease services.
- ▶ FQHCs must still serve all patients regardless of immigration status, per Section 330.
- ▶ Federal funding (Medicaid, possibly 330) restricted for primary care to undocumented patients.
- ▶ Result - Cost shift to state/local governments, FQHC sliding fee programs, and private donations.
- ▶ Urgent need for state funding and policy action to preserve access and mitigate impact to safety net.

In a nutshell, Medicaid and most HHS funds cannot be used for undocumented immigrants. Yet, FQHCs must still serve all patients regardless of immigration status. This will result in a cost shift to state and local governments, our sliding fee program, and donations. Because of this, there is a need for new funding mechanisms and policy action to protect and preserve the safety net.

During our preliminary research, if FQHCs continue to provide the same level of services to undocumented immigrants without Medicaid reimbursement, FQHCs would have to rely on our 330 grant funds to cover this shortfall. Based on current grant funds available, those funds will be exhausted within two to three months.

Liability Exposure if FQHCs PROVIDE Services

- ▶ **Federal Liability** -- Providing services to undocumented immigrants in federally funded facilities could constitute unlawful provision of federal public benefits. This exposes FQHCs to potential loss of §330 grant funding and possible False Claims Act (31 U.S.C. §§3729-3733) liability if reimbursement is sought.
- ▶ **State Liability** - Hawaii's Medicaid Program (Med-QUEST) could face FMAP penalties for violations of PRWORA or the Big Beautiful Act. FQHCs may also face state-level audits regarding misuse of blended funding streams.

FQHCs are in a no-win situation. If an FQHCs PROVIDES service to an undocumented immigrant at their respective campuses, that FQHC could be subject to federal liability for the unlawful provision of federal public benefits, and be exposed to the potential loss of §330 grant funding and possible False Claims Act liability if reimbursement is sought.

MedQUEST could face FMAP penalties for violations of PRWORA and the Big Beautiful Act, and the FQHC might also face state-level audits regarding misuse of blended funding streams.

Liability Exposure if FQHCs DENY Services

- ▶ **Federal Law** - The Emergency Medical Treatment and Active Labor Act (EMTALA -- 42 U.S.C. § 1395dd) obligates hospitals with emergency departments to provide emergency stabilization regardless of immigration status. While EMTALA does not apply directly to FQHCs, denial of emergency care may conflict with PRWORA's emergency exception. **[NOTE:** Both Waianae Coast Comprehensive Health Center and Hana Health operate 24-hour urgent/emergent care at their campuses.]
- ▶ **Civil Rights and Discrimination** -- Denying care based solely on immigration status may trigger claims under Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d), which prohibits national origin discrimination in federally funded programs. Courts have recognized that immigration status may intersect with national origin. In addition, Section 1557 of the Affordable Care Act (42 U.S.C. § 18116) similarly prohibits discrimination in federally funded health programs. FQHCs risk HHS Office for Civil Rights enforcement and civil litigation.
- ▶ **Hawaii State Law** -- Hawaii Constitution, Article I, § 5, guarantees equal protection and due process. Courts in Hawaii have interpreted these protections broadly. Denial of care could be challenged as unconstitutional discrimination. Additionally, FQHCs may face state tort claims for negligence or medical malpractice if denial of care leads to harm, as well as violations of public accommodation statutes.

If FQHCs DENY services to undocumented immigrants, denial might violate the Emergency Medical Treatment and Active Labor Act, or EMTALA, which requires emergency stabilization regardless of immigration status. While this law applies directly to hospitals with emergency departments, both Waianae Coast Comprehensive Health Center and Hana Health provide 24-hour urgent/emergent care at their campuses.

Denial of service based solely on immigration status may trigger claims under Title VI of the Civil Rights Act of 1964, which prohibits national origin discrimination in federally funded programs. Denial might also violate provisions of the Affordable Care Act, which prohibits discrimination in health programs.

Denial of service could trigger state action if the denial is construed as unconstitutional discrimination. Further, the FQHC could be in violation of Hawaii's public accommodations statutes.

Possible Best and Worst Case Scenarios

- ▶ **BEST CASE** - HHS allows Hawaii FQHCs to service undocumented immigrants at their facilities but without any Medicaid funds for reimbursement. This would allow FQHCs to continue to serve in the safety net in rural and underprivileged communities with reimbursements paid by non-federal funds.
- ▶ **WORST CASE** - HHS prohibits Hawaii FQHCs from servicing undocumented immigrants and further does not waive PRWORA requirements for FQHCs providing emergency services. Hawaii's FQHCs would either need to stop providing 24-hour urgent/emergent care or discontinue serving as an FQHC.
- ▶ Under the **WORST CASE** scenario, FQHCs will see an immediate and sharp decline in usage from immigrants (1/4 of Medicaid enrollment) due to lack of trust within each FQHCs' respective communities until such time as a final determination is made by HHS. . .
- ▶ ... and at that point, the uninsured population would need to be addressed by the State solely through a general-funded program without participation from FQHCs.

Based on the information available, best-case and worst-case scenarios could be imagined. In the best-case scenario, HHS allows FQHCs to provide services to immigrants but not allow federal funds for reimbursement. Under this scenario, FQHCs would remain in the safety net, but would need to find non-federal funds to provide services to this cohort.

Under the worst-case scenario, HHS prohibits FQHCs from even using their facilities to provide services to undocumented immigrants. This scenario would effectively dislodge FQHCs from the safety net and leave it to the State to determine how the health care needs of this population will be served.

Additional Logistical Concerns

- ▶ FQHCs cannot operationalize the Medicaid prohibition on undocumented immigrants without real-time, legally-authorized method to determine a patient's arrest and court record status.
- ▶ FQHCs are not authorized under federal law to query DHS or DOJ databases to determine a patient's arrest history, court orders, or immigration status.
- ▶ If an FQHC bills Medicaid for a service later determined to be provided to an undocumented immigrant, it may be seen as a false claim under federal law (31 U.S.C. §3729 et seq.).
- ▶ There is no federal system currently available to FQHCs to verify immigration status at the point of service, nor any integration with court or DHS arrest/release databases.
- ▶ Regarding work requirements, because Hawaii's unemployment rate for August 2025 is 2.7%, are there sufficient part-time job opportunities for 15,000 to 20,000 disenrolled Medicaid enrollees over the next three years?
- ▶ Are health care and social safety net organizations able to absorb those disenrolled citizens as volunteers?

Lastly, FQHCs will need to be able to determine a patient's Medicaid eligibility before services can be provided. Because a person's immigration status can change from the time documentation is verified at application, without the means of determining eligibility before service is provided, there would be no way for the FQHC to ensure that a subsequent request for reimbursement is legitimate. It should be noted that a person's immigrant status can change based on a person's arrest and court record status prior to conviction. Currently as a public accommodation, FQHCs are prohibited from denying medical services to a person based on their arrest and court record status under State Law.

Also, given Hawaii's low unemployment rate, are there sufficient job opportunities available in rural, isolated communities to keep Hawaii's unemployed Medicaid enrollees with coverage?

The HPCA has had preliminary discussions with various nonprofit organizations to determine their capacity to recruit and engage volunteers in rural communities. Because many of these organizations have focused their grassroots activities in urban areas, it will likely take time for nonprofits to establish sufficient volunteer opportunities for Medicaid enrollees unable to gain part-time employment.



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Impacts of Recent Federal Policy Changes to Hawaii's FQHCs

Erik Abe, Public Affairs and Policy Director

Tuesday, October 14, 2025; 2:30 p.m.

This concludes the presentation. I'd be happy to answer any questions.



Protect Democracy Move Forward

LATE

www.indivisiblehawaii.org
info@indivisiblehawaii.org

To: COMMITTEE ON HUMAN SERVICES & HOMELESSNESS

Hearing Date/Time: Thursday, Feb 5, 2026 at 9:30 am

Place: Hawaii State Capitol, Room 329

Re: Testimony in **SUPPORT of HB 1546**

Dear Rep. Lisa Marten, Chair, Rep. Ikaika Olds, Vice Chair, and the Members of Committee,

Members of Indivisible Hawai'i thank you for this opportunity to testify in strong support of HB 1546.

This bill, introduced at the request of a Kona physician, is intended to address the expected surge in the number of uninsured Hawaii residents with the expiration of ACA subsidies and the federal law and rules for Medicaid eligibility.

It would establish a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options.

Medicaid and the ACA are good for everyone in Hawaii. We are one small state system, one 'ohana, one risk pool, and the more residents who have health insurance coverage, the more health care costs remain lower for all of us. We strongly support this bill.

Sincerely,
Indivisible Hawai'i Healthcare Team

The mission of the 14-chapter Indivisible Hawai'i Statewide Network (IHSN) is to protect Hawai'i and democracy by defending civil rights, communities and values, most importantly, Hawai'i's Constitutionally protected spirit of Aloha. In October 2025, IHSN with other partners turned out over 22,000 residents on all major islands to say No Dictators! and to stand up for democracy. This call-to-action was part of Indivisible national's mobilization of more than 7 million across the country as the voice of the people, committed to election integrity and to evolving as a place of equity, opportunity and peace.

House Committee on Human Services & Homelessness

Thursday, February 5, 2026, 9:30 AM, Room 329

TESTIMONY OF JAMES NELSON IN SUPPORT OF HB 1546 RELATING TO HEALTH INSURANCE

Chair Marten, Vice-Chair Olds, and members of the Committee:

Thank you for hearing this measure and for the opportunity to testify in support of HB 1546. The pilot program proposed by this measure would be of benefit to many individuals and organizations in our state.

I submit this testimony in my individual capacity. That said, for many years I have actively served on the Board of Directors of Waikiki Health, a Federally Qualified Health Center (FQHC) providing primary care as a core service at clinics in Waikiki, McCully/Moiliili, and Kaimuki. In 2025, approximately 50% of Waikiki Health's nearly 10,000 unique patients maintained insurance coverage through Medicaid (Med-QUEST). In many instances, Waikiki Health staff provide insurance navigation services to help facilitate access to and continuity of that coverage. As I am sure the Committee is aware, Medicaid eligibility and redetermination processes are expected to change significantly by the end of this year, most with effect from 2027. It is easily foreseeable that, despite the best efforts of community health centers such as Waikiki Health, many persons will lose Medicaid eligibility.

Therefore, a health care coverage continuity pilot program such as that proposed in SB2087, to provide affordable insurance alternatives and support for former Medicaid enrollees as well as other independently employed or low-income persons, is greatly appreciated. In the event that this measure becomes law, and the program is properly funded, I hope that the Department of Human Services will work closely with FQHC primary care providers such as Waikiki Health to further ascertain and assist individuals in need of continuity in their health insurance coverage.

Mahalo in advance for your support of this measure.

James J. Nelson

HB-1546

Submitted on: 2/2/2026 8:03:25 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gina Borgman	Individual	Support	Written Testimony Only

Comments:

Thank you

HB-1546

Submitted on: 2/2/2026 8:32:30 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy D Moser	Individual	Support	Written Testimony Only

Comments:

Thank you

HB-1546

Submitted on: 2/2/2026 10:34:08 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tim Huycke	Individual	Support	Written Testimony Only

Comments:

I support HB1546.

HB-1546

Submitted on: 2/3/2026 2:11:41 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Younghée Overly	Individual	Support	In Person

Comments:

Thank you for this opportunity to support HB1546 which would establish a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options.

Younghée Overly, a member of Indivisible Hawaii

HB-1546

Submitted on: 2/3/2026 8:48:46 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle Bonk	Individual	Support	Written Testimony Only

Comments:

As a supporter of Indivisible Hawai'i I ask you to pass this bill.
Thank you.

HB-1546

Submitted on: 2/3/2026 10:36:25 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello Chair and members of the committee,

My name is Nanea Lo, and I am a Kanaka Maoli born and raised in Papakōlea, O‘ahu. I am writing in strong support of HB1546.

I am testifying today wearing several hats that all lead back to the same core issue: the survival and wellbeing of our people in their own homeland. I serve as a Board Member of the Hawai‘i Workers Center, and I am an active member of the Honolulu Tenants Union and the Hawai‘i Tax Fairness Coalition.

Through these roles, I see the daily struggle of our working class, our renters, and our ‘ohana who are being squeezed by an astronomical cost of living. Healthcare is not a luxury; it is a human right and a pillar of community resilience. With the expiration of federal Medicaid eligibility rules and ACA subsidies, we are looking at a crisis that will disproportionately hit the very people I organize with every day—workers who are the backbone of our islands but who are often one medical bill away from displacement.

HB1546 is a necessary act of kuleana. By establishing the Health Coverage Continuity Pilot Program, this bill provides a vital safety net for those caught in the gap. The portability of these benefits is especially crucial for our workers, ensuring that their health isn't tied to a single employer and that they aren't penalized for the fluid nature of today's economy.

We cannot talk about tax fairness or housing security without talking about healthcare. If our people cannot afford to stay healthy, they cannot work, and they cannot pay rent. This pilot program is a proactive, common-sense step toward ensuring that no resident is left behind as federal protections lapse.

I urge you to pass this measure to protect the health and dignity of our working families.

me ke aloha ‘āina,

Nanea Lo, 96826
Board Member, Hawai‘i Workers Center
Member, Honolulu Tenants Union
Member, Hawai‘i Tax Fairness Coalition

HB-1546

Submitted on: 2/3/2026 10:49:41 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Roger Hamada	Individual	Support	Written Testimony Only

Comments:

If there is a surge in uninsured people due to the federal administration's short-sighted action (or failure to act), it will result in an increasing burden on our already stressed healthcare system.

We will all feel the negative impacts as uninsured people will have no choice but to use emergency departments for their medical care. People with chronic illnesses will lose access to regular follow up care, and as their conditions worsen, will use increasing medical resources once they are able to access them.

We must do whatever we can to prevent any surge in uninsured people.

HB-1546

Submitted on: 2/3/2026 11:09:48 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am writing in support of HB1546. I believe that this heath coverage program is vitally needed at this time to enhance the well-being of our 'ohana here in Hawai'i. Mahalo for this bill and for taking the time to take my views into consideration.

HB-1546

Submitted on: 2/3/2026 11:38:32 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Amber Kanehailua	Individual	Support	Written Testimony Only

Comments:

I support this bill because everyone deserves to have medical health insurance coverage.

HB-1546

Submitted on: 2/3/2026 12:27:17 PM

Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Martha Nakajima	Individual	Support	Written Testimony Only

Comments:

I support this bill which is important for people who cannot afford to continue ACA coverage.
Thank you. Martha Nakajima, Honolulu, member of Indivisible

HB-1546

Submitted on: 2/3/2026 1:15:52 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Addie Berliner	Individual	Support	Written Testimony Only

Comments:

Thank You for supporting this bill.

HB-1546

Submitted on: 2/3/2026 2:54:44 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Justice, M.D.	Individual	Support	Written Testimony Only

Comments:

As a retired physician and a member of Indivisible Hawaii, I stongly support this bill. Healthcare should be a human right and the recent unconscionable cuts in ACA subsidies and the changes in Medicaid will have an adverse impact on the health of many of Hawaii's residents. This bill will hopefully mitigate the impact of those cuts of the health of Hawaii's residents.

COMMITTEE ON HUMAN SERVICES & HOMELESSNESS

Rep. Lisa Marten, Chair

Rep. Ikaika Olds, Vice Chair

Rep. Terez Amato (Maui)

HEARING:

Thursday, February 5, 2026 at 9:30 am

VIA VIDEOCONFERENCE

Conference Room 329

Hawai'i State Capitol

TESTIMONY IN SUPPORT : HB 1546 - RELATING TO HEALTH INSURANCE.

Aloha Chair Marten, Vice Chair Olds, Rep. Amato of Maui, and Members of the Committee,

My name is Christine Andrews and I am a long-term resident of Wailuku, Maui. I write to you today in **strong support of HB 1546**, relating to health insurance. HB 1546 establishes a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options.

The federal Medicaid program provides health care coverage to just over 400,000 Hawai'i residents with low incomes and limited resources. The One Big Beautiful Bill Act, which became law on July 4, 2025, aims to reduce federal Medicaid spending by \$1 trillion over a decade. Federal funds make up about three quarters of the \$3 billion Hawai'i spends on Medicaid each year.¹ The changes of the Act are what HB 1546 is designed, in part, to mitigate. A July 15, 2025, Civil Beat article quoted Emmanuel Kintu, CEO and executive director of Kalihi-Pālama Health Center, who indicated that, “Maybe 40,000 to 60,000 people will lose their Medicaid in Hawai'i.” Another expert, Ruben Juarez, a University of Hawai'i health economics professor, was quoted as saying, “This is a major crisis in the making. Probably the top priority for the state to address after the Maui wildfires...This is among the largest single reductions in federal health support the state has ever faced.” Civil Beat noted that an analysis by the health policy research organization KFF concluded the Act’s provisions would slash Hawai'i’s federal Medicaid funding by up to to \$5 billion over a decade.

This is the crisis of health care coverage for our most vulnerable Medicaid recipients that this bill is intended to address. Ensuring health care coverage is known to reduce costs in the long-run, helping people get treated for preventative or chronic health care issues by the primary care system, before the issues worsen and treatment is sought at most-costly and overly burdened hospitals. I ask for your **support of HB 1546** as the cost-effective mechanism to try to ensure that Hawai'i communities have access to the health care they need.

Mahalo nui for acting today to protect the wellbeing of our low-income neighbors,

Christine L. Andrews, J.D.

Wailuku, Maui

¹ Honolulu Civil Beat, “Hawai'i Braces for Cuts that Could Strip Medicaid from Tens of Thousands”, July 15, 2025.

HB-1546

Submitted on: 2/3/2026 4:06:53 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lucille Frances	Individual	Support	Written Testimony Only

Comments:

the insane federal policies taking funds from medicaid and medicare cause an urgent need to help those who will lose health insurance.

HB-1546

Submitted on: 2/3/2026 5:59:32 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Weltin	Individual	Support	Written Testimony Only

Comments:

My name is Elizabeth Weltin, and I am writing in strong support of HB1546.

Hawai‘i is facing an impending increase in the number of uninsured residents as federal ACA subsidies expire and Medicaid eligibility rules change. For many people, losing coverage will not be the result of improved health or financial stability, but of shifting federal policy that leaves working families, part-time workers, and medically vulnerable residents without affordable options. HB1546 is a timely and thoughtful response to this growing gap.

This measure establishes a three-year Health Coverage Continuity Pilot Program within the Department of Human Services to help individuals who lose Medicaid coverage and have no access to other affordable health insurance. By allowing DHS to partner with a nonprofit insurer or community-based organization and to provide access to state-backed reinsurance or risk stabilization, the bill creates a practical bridge to coverage rather than leaving people uninsured and delaying care.

I strongly support the bill’s flexible, person-centered design. Authorizing premium subsidies or vouchers, accepting employer contributions, and ensuring that benefits are portable and follow the individual reduces administrative burden while maximizing continuity of care. These features recognize the realities of Hawai‘i’s workforce, where people often move between jobs, hours, and eligibility categories.

Preventing gaps in coverage protects patient health, supports physicians and providers, and reduces costly emergency care. HB1546 reflects input from frontline medical professionals and responds to real conditions in our communities. I urge your support for this commonsense solution to maintain health coverage and stability for Hawai‘i residents.

Mahalo for the opportunity to submit testimony.

Elizabeth Weltin as an individual citizen and on behalf of Ka‘ū Voices-An Indivisible Chapter and member of the Indivisible Hawai‘i Statewide Network (IHSN)

HB-1546

Submitted on: 2/3/2026 7:49:07 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Judith White	Individual	Support	Written Testimony Only

Comments:

Until we have the universal health care our country needs, we will have to continue to support our citizens with measures like this. Please pass!

Judith White, Psy.D.

Member, Kauai Indivisible

HB-1546

Submitted on: 2/3/2026 9:11:08 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ron Brown	Individual	Support	Written Testimony Only

Comments:

We must do whatever we can to repair in Hawaii the social safety net which the criminal Trump administraton has so heartlessly damaged.

HB-1546

Submitted on: 2/3/2026 11:27:21 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sara Harris	Individual	Support	Written Testimony Only

Comments:

Chair, Vice Chair, and Members of the Committee:

My name is Sara Harris, and I am an OB-GYN practicing in Hawai‘i. I submit this testimony in **strong support of HB1546**.

In my practice, even brief gaps in insurance coverage can have serious consequences for pregnant and postpartum patients, including delayed prenatal care, interruptions in postpartum follow-up, and missed screening and contraception services. Loss of Medicaid coverage during critical periods places both patients and infants at unnecessary risk.

HB1546 addresses this gap by creating a Health Coverage Continuity Pilot Program to support individuals who lose Medicaid coverage and lack affordable alternatives. Providing portable coverage through subsidies or vouchers is a practical, patient-centered approach that helps ensure continuity of care during pregnancy and beyond.

From an OB-GYN perspective, maintaining uninterrupted health coverage is essential to improving maternal and infant outcomes. I respectfully urge the Committee to **pass HB1546**.

Thank you for the opportunity to provide testimony.

Respectfully,
Sara C Harris, MD

HB-1546

Submitted on: 2/4/2026 6:43:34 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Alicia Hedlesky	Individual	Support	Written Testimony Only

Comments:

02/04/2026
Committee on Human Services and Homelessness
Rep. Lisa Marten, Chair
Rep. Ikaika Olds, Vice Chair

RE: TESTIMONY IN SUPPORT OF HB1546

Dear Chair Marten, Vice Chair Olds, and Members of the Committee,

My name is Alicia Hedlesky, a resident of Moloa'a, Kauai and a member of Indivisible Hawaii. I am writing to strongly support HB1546, which would support those who have lost their healthcare after recent federal cuts to subsidies. I have friends who have been unable to afford the new insurance premiums, which more than doubled overnight. They work as local farmers and volunteer in many community activities that contribute to our island, but they may have to leave these jobs and volunteer activities to find other work, or the state entirely. We need to find solutions to help hard working people like this, and make sure they don't have to choose between caring for their community doing work they are passionate about, and paying for health insurance.

Thank you for your consideration and the opportunity to testify on this important issue,

Alicia Hedlesky

HB-1546

Submitted on: 2/4/2026 7:42:47 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Cuthbert	Individual	Support	Written Testimony Only

Comments:

I support HB1546 because I view good health of the people to be an investment rather than a cost. The benefits of HB1546 -- better health -- extend beyond the covered individuals, the benefits extend to their families, employers and everyone living in Hawai'i.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

HB-1546

Submitted on: 2/4/2026 10:15:10 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lori Kizer	Individual	Support	Written Testimony Only

Comments:

I support this bill and ask my elected officials to approve/pass. Mahalo.