

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



SIERRA WHITESIDE
CHAIRPERSON

DAINTRY BARTOLDUS
EXECUTIVE ADMINISTRATOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

March 24, 2026

The Honorable Representative Lisa Marten, Chair
House Committee on Human Services & Homelessness
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Chair Marten and Committee Members:

SUBJECT: SB3324 SD1 Relating to Medicaid

The Hawai'i State Council on Developmental Disabilities is in **SUPPORT of SB3324 SD1**, which appropriates moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes, and requires the Department to obtain matching federal funds and to pursue additional funding sources

Sustaining and strengthening the caregiver workforce is critical to maintaining community-based options for individuals with disabilities and kupuna across Hawai'i. Workforce shortages remain a significant barrier to expanding access to home and community-based services, particularly on the neighbor islands, where shortages are most acute.

Increasing residential service reimbursement rates helps providers recruit and retain direct care staff and offer stable wages and basic benefits. Stronger workforce stability directly translates into more available homes and shorter waitlists for individuals who rely on these settings to live safely in the community.

Community care foster family homes and expanded adult residential care homes are essential components of Hawai'i's long-term care system. Supporting provider sustainability ensures continuity of care, prevents unnecessary institutionalization, and strengthens community-based living options statewide.

For these reasons, the Hawai'i State Council on Developmental Disabilities **supports SB3324 SD1**.

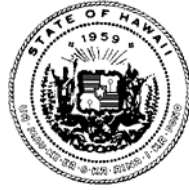
Thank you for the opportunity to submit testimony.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus
Executive Administrator

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 HAWAI'I
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

March 23, 2026

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

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 3324 SD1 – RELATING TO MEDICAID.**

Hearing: March 24, 2026, 10:00 a.m.
Conference Room 329 & Videoconference, State Capitol

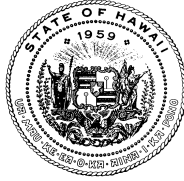
DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the bill, offers comments, and requests an amendment. DHS respectfully requests that this program and appropriation not conflict with, reduce, or replace priorities identified in the executive budget.

DHS agrees that Community Care Family Foster Home (CCFFH) and Expanded Adult Residential Care Home (E-ARCH) capacity remains limited despite the rate increase authorized by the Legislature in 2025 in alignment with the "low" rate scenario provided in the Home and Community-Based Services (HCBS) Rate Study Report commissioned by DHS in December 2022. DHS supports the Legislature's intent to increase reimbursement for CCFFH and E-ARCH facilities to the "medium" rate scenario provided in the HCBS Rate Study Report. Based on updated utilization data, the general fund request would be \$1,770,892.

Additionally, DHS respectfully requests that the bill language be amended to remove all references to a DHS contractor (Milliman), who performed the study under a DHS contract, and instead refer to the study as the "DHS Home and Community-Based Services (HCBS) Rate Study Report" to clarify that DHS is the "group author" of the study.

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

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII'



KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
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Honolulu, HI 96801-3378
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**Testimony in SUPPORT of SB3324, SD 1
RELATING TO MEDICAID.**

REPRESENTATIVE LISA MARTEN, CHAIR
HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS

Hearing Date and Time: TUES., March 24, 2026 @ 10:00am

Room Number: 329

- 1 **Fiscal Implications:** There is no cost to the Department of Health (Department).
- 2 **Department Position:** The Department submits testimony in strong support of SB3324, SD 1.
- 3 **Department Testimony:** The Department of Health, Office of Health Care Assurance (OHCA)
- 4 licenses and oversees community care foster family homes and other long-term care settings
- 5 that serve many of Hawai'i's most vulnerable residents, including older adults and individuals
- 6 with disabilities. These providers play a critical role in supporting residents in community-based
- 7 settings and helping prevent unnecessary institutionalization.

8 Adequate Medicaid reimbursement is essential to sustaining this system of care. Many
9 licensed care homes operate on very narrow margins while facing rising costs for staffing, food,
10 utilities, insurance, training, and regulatory compliance. Without reimbursement rates that
11 reflect the true cost of care, providers face significant financial strain, which can lead to
12 workforce shortages, reduced capacity, or facility closures.

13 Increasing Medicaid reimbursement will:

- 14 • Help stabilize the existing network of licensed care homes.
- 15 • Support recruitment and retention of qualified caregivers.
- 16 • Improve quality of care and resident safety.

- 1 • Encourage providers to continue serving Medicaid beneficiaries.
- 2 • Help ensure access to community-based long-term care statewide.

3 As Hawai'i's population continues to age, demand for community-based long-term care
4 services will continue to grow. Strengthening reimbursement now is a proactive step to ensure
5 that safe, licensed care settings remain available for residents who depend on them.

6 For these reasons, OHCA respectfully urges the Committee to pass SB3324, SD 1.

7 **Offered Amendments:** None.

8 Thank you for the opportunity to testify on this measure.



DISABILITY AND COMMUNICATION ACCESS BOARD

Ka 'Oihana Ho'oka'a'ike no ka Po'e Kīnānā

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 204-2466 (VP)

March 24, 2026

LATE

TESTIMONY TO THE HOUSE COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS

Senate Bill 3324 SD1 – Relating to Medicaid

The Disability and Communication Access Board (DCAB) supports Senate Bill 3324 SD1 – Relating to Medicaid. This bill appropriates moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes. Requires the Department to obtain matching federal funds and to pursue additional funding sources and is effective 7/1/2050.

Increasing residential service reimbursement rates helps providers recruit and retain direct care staff and offer stable wages and basic benefits. Stronger workforce stability directly translates into more available homes and shorter waitlists for individuals who rely on the services to receive quality care.

Thank you for the opportunity to testify.

Respectfully submitted,

KRISTINE PAGANO
Acting Executive Director



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facebook.com/AARPHawaii

The State Legislature
House Committee on Human Services and Homelessness
Tuesday, March 24, 2026
Conference Room 329, 10:00 a.m.

TO: The Honorable Lisa Marten, Chair
FROM: Kealii Lopez, AARP State Director
RE: Support for S.B.3324,SD1 Relating to Medicaid

Aloha Chair Marten and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP Hawaii supports S.B. 3324, SD1 which appropriates funds to increase Medicaid reimbursement rates for home and community-based services (HCBS), including residential care homes. This measure advances policies that allow kūpuna and people with disabilities to live safely in their homes and communities—where they overwhelmingly prefer to receive care.

S.B. 3324, SD1 strengthens Hawai'i's continuum of long-term care by directing additional resources to essential HCBS providers. These services enable older adults and individuals with disabilities to receive assistance with daily activities, manage chronic conditions, and maintain independence. Investing in HCBS helps prevent unnecessary institutionalization, reduces avoidable hospitalization, and improves overall health outcomes.

Equally important, the bill recognizes the critical role of direct care workers. Caregivers are the backbone of our long-term care system, yet many face low wages, limited support, and high turnover. Increasing Medicaid reimbursement rates helps stabilize this workforce, enhances care continuity, and ensures families can rely on a trained, reliable, and sustainable caregiving system.

AARP Hawai'i appreciates the Legislature's attention to strengthening home and community-based care options for our kūpuna and people with disabilities. We respectfully urge passage of S.B. 3324. SD1.

Mahalo for the opportunity to testify in support of this important measure.

SB-3324-SD-1

Submitted on: 3/20/2026 5:23:47 PM

Testimony for HSH on 3/24/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Louis Erteschik	Hawaii Disability Rights Center	Support	Written Testimony Only

Comments:

We support this Bill. While our main focus of course is on our clients who reside in care homes we very much value the efforts of the caregivers who operate those homes. Without them, we would not have the robust community based system of residential care that we do have. It is important that they be properly compensated. In particular, as the caregiver population ages, it is vital to ensure that the next generation is properly incentivized to carry forward with this work.



Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

HOUSE COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS

Representative Lisa Marten, Chair

Representative Ikaika Olds, Vice Chair

Date: March 24, 2026

From: Hawaii Medical Association (HMA)

Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee

Christina Marzo MD and Robert Carlisle MD, Vice Chairs, HMA Public Policy Committee

RE SB 3324 SD1 RELATING TO MEDICAID. DHS; Medicaid; Med-QUEST; Home- and Community-Based Services; Residential Services; Community Care Foster Family Homes; Expanded Adult Residential Care Homes; Federal Matching Funds; Appropriation (\$)

Position: Support

This measure would appropriate moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes and require the Department to obtain matching federal funds and to pursue additional funding sources.

Hawaii's care needs are growing, yet Hawaii has unmet demand and persistent waiting lists for home- and community-based supports - signals that access is not keeping pace with need. HMA supports this measure that may strengthen in-home and other home-like residential supports, reduce avoidable institutional placement, support smoother hospital-to-home transitions, and better match services to patient goals and functional needs. Additionally, the provision for available federal matching dollars while building capacity for patients' community-based services may rebalance long-term care systems toward care in the least restrictive setting.

Home-like, community-based residential options can strengthen continuity, relieve caregiver strain, and improve quality of life while preserving higher-acuity institutional resources for those who truly need them. Investing in Medicaid in-home and community-based care is one of the most practical ways to help kūpuna and people with disabilities stay safely in familiar settings, maintain independence, and remain connected to family and community.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

2026 Hawaii Medical Association Public Policy Coordination Team

Elizabeth A Ignacio, MD, Chair • Robert Carlisle, MD, Vice Chair • Christina Marzo, MD, Vice Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

2026 Hawaii Medical Association Officers

Nadine Tenn-Salle, MD, President • Jerald Garcia, MD, President Elect • Elizabeth Ann Ignacio, MD, • Immediate Past President
Laeton Pang, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

REFERENCES AND QUICK LINKS

Burns, Alice, Abby Wolk, and Molly O'Malley Watts. *A Look at Waiting Lists for Medicaid Home- and Community-Based Services from 2016 to 2025*. Kaiser Family Foundation, 20 Nov. 2025, <https://www.kff.org/medicaid/a-look-at-waiting-lists-for-medicaid-home-and-community-based-services-from-2016-to-2025/>

"Home- and Community-Based Services." MACPAC, 2 Apr. 2024. <https://www.macpac.gov/subtopic/home-and-community-based-services/>. Accessed 15 Feb. 2026.

U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (ASPE).

"Rebalancing Long-Term Services and Supports for Medicaid Enrollees." ASPE, Jan. 2025. <https://aspe.hhs.gov/sites/default/files/documents/ad7cf66fb2a7ae1a0bd91b288363fc71/rebalancing-ltss-medicaid-enrolled-brief.pdf>. Accessed 15 Feb. 2026.

2024 Hawaii Medical Association Officers

Elizabeth Ann Ignacio, MD, President • Nadine Tenn-Salle, MD, President Elect • Angela Pratt, MD, Immediate Past President
Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

2024 Hawaii Medical Association Public Policy Coordination Team

Beth England, MD, Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director



www.AlohaILHawaii.org

Mar 24, 2026

MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

EXECUTIVE DIRECTOR

Roxanne U. Bolden

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The Honorable Lisa Marten, Chair
House Committee on Human Services & Homelessness
The Thirty-Third Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

SUBJECT: SB3324 SD1 – Relating to Medicaid

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) respectfully submits this testimony in **strong support of SB3224 SD1**.

Independent Living means disabled people and kupuna can choose to remain in their own homes and communities, with the supports they need, instead of being forced into institutional settings. Community care foster family homes and expanded adult residential care homes are a critical part of that choice for many disabled adults and kupuna across Hawaii.

SB3224 SD1 moves Medicaid home- and community-based residential services toward more sustainable rates by directing funding to the “medium” rate scenario identified in the Milliman 2022 study and requiring the Department of Human Services to maximize federal matching funds and pursue additional funding sources. Without adequate rates, providers cannot retain staff, offer basic benefits, or keep their doors open, and disabled people lose real options to live near family, familiar providers, and cultural supports in their own communities.

From an Independent Living perspective, underfunding HCBS is a civil rights issue, not just a budget question. When residential providers close or stop taking Medicaid, disabled people and kupuna are pushed toward more restrictive, more costly institutional placements, often far from ohana and community. Strengthening HCBS rates helps prevent unnecessary



www.AlohaILHawaii.org

MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

EXECUTIVE DIRECTOR

Roxanne U. Bolden

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Sheila Castaneda
Jennifer Hartssock

institutionalization, supports family caregivers, and honors the clear preference of Hawaii residents for affordable long-term care options close to home.

AILH respectfully urges the Committee to pass SB3324 SD1 and to ensure that any conference draft preserves strong HCBS rate increases and the requirement to maximize federal Medicaid funds.

Thank you for the opportunity to testify.

Mahalo,

Roxanne Bolden

Executive Director

SB-3324-SD-1

Submitted on: 3/23/2026 9:52:51 AM

Testimony for HSH on 3/24/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shanda Gustafson	Balanced ABA Inc	Support	Written Testimony Only

Comments:

Aloha,

In order to ensure every participant received quality and progressive care, it its pertinent that funding and subsequent wages for staff are livable and applicable for the work being done.

SB-3324-SD-1

Submitted on: 3/23/2026 10:02:28 AM

Testimony for HSH on 3/24/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Crystal Thomas	Balanced ABA	Support	Written Testimony Only

Comments:

I support increased funding for Medicaid home- and community-based services, particularly residential care in community care foster family homes and expanded adult residential care homes. This funding is essential to make sure residents with disabilities have a place to live within their communities. Many homes have closed and any more never had the chance to get off the ground because of the unrealistic reimbursement rates. Increased rates could help homes stay open and incentivize more people with the available desire and resources to open more residential placements for our neighbors with disabilities.



ALOHACARE

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

From: Paula Arcena, Senior Vice President of External Affairs
Mike Nguyen, Senior Director of External Affairs
Maria Rallojay, Public Policy Specialist

Hearing: Tuesday, March 24 2026, 10:00am, Conference Room 329

RE: **SB3324 SD1 Relating to Medicaid**

AlohaCare appreciates the opportunity to provide testimony in **support of the intent of SB3324 SD1**. This measure would (1) appropriate moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes; and (2) require the Department to obtain matching federal funds and to pursue additional funding sources.

AlohaCare is a community-rooted, non-profit health plan founded by Hawai'i's Community Health Centers and the Queen Emma Clinics. We serve over 66,000 Medicaid and Medicaid-Medicare dual-eligible residents on all islands. Since 1994, AlohaCare has partnered with providers, government entities, and community-based organizations to meet the evolving needs of our safety net community as Hawai'i's only health plan focused solely on Medicaid-eligible individuals. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for equitable access to quality, whole-person care for all.

AlohaCare is committed to improving access to care, especially for our kūpuna, persons with disabilities, and others needing home- and community-based services as an alternative to institutional care settings. For example, AlohaCare directly invests in these services through our GRACE (Geriatric Resources for Assessment and Care of Elders) program, which serves Medicaid members with complex medical, functional, and social needs. GRACE relies on in-home services to help members safely age in place, manage chronic conditions, and prevent avoidable emergency room visits and hospitalizations. However, the success of programs like GRACE depends on the availability and stability of in-home service providers. As such, we support the intent of this bill. We defer to the Department of Human Services Med-QUEST Division and the Legislature as to the appropriate level of funding.

Mahalo for this opportunity to testify in **support of the intent of SB3324 SD1**.

SB-3324-SD-1

Submitted on: 3/22/2026 10:56:21 AM

Testimony for HSH on 3/24/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Amanda Beth Goodell	Individual	Support	Written Testimony Only

Comments:

Aloha, as a care provider in the community, I have seen first hand how impactful these services can be for not only the individual receiving the services, but for their families and community as well. Because of the low reimbursement rates it is nearly impossible to find quality providers to help our adults get the help that they need. Our mission in ABA is to "work ourselves out of a job" and to reach that mastery level and ensure our adults are independent, we need to be able to provide consistent and high quality services. This bill would be a great step in that direction.

SB-3324-SD-1

Submitted on: 3/22/2026 10:28:46 PM

Testimony for HSH on 3/24/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marija Colic	Individual	Support	Written Testimony Only

Comments:

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

I am submitting testimony in strong support of SB3324 SD1, which seeks to increase funding for residential services in community care foster family homes and expanded adult residential care homes.

This bill addresses a critical need in Hawaii: the demand for accessible, community-based care options for kupuna. As highlighted in the 2021 AARP study, 75% of residents aged 45 and older reported that affordable long-term care options close to home are essential for independent living, maintaining connections with family and friends, and continuing care with familiar health providers. Despite the 2024 budget appropriation, providers continue to face financial pressures due to low reimbursement rates, rising costs, and insufficient resources to offer employee benefits, which limits the availability and sustainability of these essential services.

SB3324 SD1 would increase funding to the “medium” rate scenario recommended in Milliman’s 2022 study and require the Department of Human Services to secure the maximum federal matching funds available. This action will enhance provider sustainability, expand community-based care options, and ensure more kupuna can receive care in familiar, supportive home-like environments.

For these reasons, I strongly urge the Committee to support SB3324 SD1.

SB-3324-SD-1

Submitted on: 3/22/2026 11:13:31 PM

Testimony for HSH on 3/24/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Marten, Vice Chair Olds, and Members of the House Committee on Human Services & Homelessness,

My name is Jackie Keefe, and I **strongly support SB3324 SD1**, which appropriates moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes, and requires the Department to obtain matching federal funds and to pursue additional funding sources.

Working families and our most marginalized communities need our support. Please pass SB3324 SD1.

Mahalo for the opportunity to testify.

Jackie Keefe, Lahaina

SB-3324-SD-1

Submitted on: 3/23/2026 9:54:59 AM

Testimony for HSH on 3/24/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alexandra Berry	Individual	Support	Written Testimony Only

Comments:

I support this.

SB-3324-SD-1

Submitted on: 3/23/2026 10:31:34 AM

Testimony for HSH on 3/24/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kailey Reyes	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support SB 3324. There is strong need for sustainability in services. I've worked in this field for 19 years and seen first hand how important it is for these individuals in need to have these services. Without an increase in funding, high inflation will lead to fewer available care options leading to regression in their progress thus far.

Approving this bill will also assist in maintaining and attracting more caregivers to work and stay in this field.