



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/25/2026
Time: 10:57 AM
Location: CR 211 & Videoconference
Committee: WAM

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB3325, SD1, RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS.

Purpose of Bill: Requires the Department of Education to establish an updated plan for maximizing Medicaid reimbursements for administrative and support services provided to students with special needs. Requires annual reports to the Legislature. (SD1)

Department's Position:

The Hawai'i State Department of Education (Department) supports SB3325, SD1, and provides comments. SB3325, SD1 requires the Department to develop an updated plan to maximize Medicaid reimbursement for administrative and support services provided to students with special needs and to submit annual reports to the Legislature.

To support clear and transparent reporting to the Legislature, the Department agrees with the reporting provisions of the bill except for the clarifying amendment requested below. Under federal Medicaid claiming rules, Medicaid administrative claiming is submitted quarterly as a statewide aggregate in accordance with Centers for Medicare & Medicaid Services (CMS) requirements, using a cost allocation methodology based on Medicaid-allowable time. Accordingly, administrative activities and reimbursement amounts cannot be reported at the complex area level, while direct service claims may be reported in that manner.

To ensure the annual report accurately reflects Medicaid data, the Department respectfully requests an amendment to page 4, section 5(b), lines 13–15, to read as follows:

(B) ~~Number of eligible administrative and support services provided, classified by complex area~~ Medicaid reimbursement amount received for direct services by complex area and administrative services state-wide.

This amendment eliminates ambiguity in the reporting requirement, aligns statutory language with CMS required Medicaid claiming methodologies, and enables the Department to produce a meaningful annual report without mischaracterizing service delivery or funding outcomes.

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



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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The Thirty-Third Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association

February 25, 2026

S.B. 3325— RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provides the following comments regarding S.B. 3325 which requires the Department of Education to establish an updated plan for maximizing Medicaid reimbursements for administrative and support services provided to students with special needs.

One of the group of employees already completing Medicaid reimbursements for the Department of Education is the Speech Language Pathologist (SLP) of Bargaining Unit 13. The SLP's use their personal Social Security Number and National Provider Identifier (NPI) number for these reimbursements. SLP's are required to maintain this NPI number and pay yearly registration costs without any reimbursements from the DOE. SLP's have already generated millions of dollars for the DOE through Medicaid reimbursements without receiving any compensation for the additional workload. If the DOE is going to maximize Medicaid reimbursements, a portion of that revenue should be reinvested into the employees generating it.

Thank you for the opportunity to provide comments regarding S.B. 3325.

Respectfully submitted,

Randy Perreira
Executive Director



Wednesday, February 25, 2025

TESTIMONY IN SUPPORT OF SB3325 SD1

Relating to Public School Medicaid Reimbursements

Submitted by:

The Ava Sofia Foundation dba Autism Moms of Kona

Chair, Vice Chair, and Members of the Committee:

Mahalo for the opportunity to submit testimony in **strong support of SB3325 SD1**, which requires the Department of Education to update and report on efforts to maximize Medicaid reimbursement for administrative and support services provided to students with special needs.

SB3325 SD1

The Ava Sofia Foundation, known as Autism Moms of Kona, supports more than 700 families across Hawai'i Island raising children with autism and developmental disabilities. For many of these students, school-based therapies and supports are their primary access to essential services such as speech therapy, behavioral support, and mental health care.

Maximizing Medicaid reimbursement allows Hawai'i to leverage available federal funds to strengthen special education services without increasing state costs. When reimbursement systems are inconsistent or underutilized, schools lose critical resources that directly impact student access and outcomes.

SB3325 SD1 improves accountability by requiring planning, staff training, interagency coordination, and annual reporting on implementation and reinvestment of funds. These measures help ensure that eligible services are properly documented, reimbursed, and reinvested to support students.

From a community perspective, families frequently experience service gaps caused by administrative barriers rather than lack of need. Strengthening reimbursement systems helps stabilize services, expand provider capacity, and promote equitable access across complex areas, including neighbor island communities.

This bill represents a practical and fiscally responsible step toward improving support for students with disabilities while ensuring transparency in how federal resources are utilized.

Recommendations for Implementation

We respectfully encourage consideration of the following during implementation:

1. **Transparent Reinvestment**
 - Ensure reimbursement funds directly expand student services rather than replace existing funding streams.
2. **Neighbor Island Equity**
 - Track and publicly report reimbursement outcomes by complex area to prevent geographic disparities.
3. **Parent Accessibility**
 - Standardize and simplify parental consent procedures statewide.
 - Provide culturally and linguistically accessible information for families.
4. **Workforce Expansion**
 - Support pathways for Medicaid enrollment of school-based providers.
 - Utilize supervised professionals and telehealth models where appropriate.
5. **Training & Accountability**
 - Ongoing training for educators and coordinators to ensure medically necessary services are properly documented and reimbursable.

On behalf of the families we serve statewide, we respectfully urge the Committee to **PASS SB3325 SD1**.

Mahalo for your continued commitment to Hawai'i's keiki.

Sincerely,

Jessica McCullum
Founder, the Ava Sofia Foundation
(DBA Autism Moms of Kona)

www.AutismMomsofKona.com

SB-3325-SD-1

Submitted on: 2/24/2026 12:15:44 AM

Testimony for WAM on 2/25/2026 10:57:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

3325 SB RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS