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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
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TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

January 26, 2026

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 877 – RELATING TO HUMAN SERVICES**

Hearing: January 28, 2026, Time 1:30 p.m.
Conference Room 225 & 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 a bill, so that the increases can be incorporated into the DHS base budget.

PURPOSE: The purpose of this bill is to appropriate funds to increase the funding for Medicaid in-home services, conditioned on the Department of Human Services obtaining the maximum federal matching funds.

DHS appreciates the intent of this bill to provide increased funding to DHS to raise rates for Home and Community-Based In-Home services. We note that these services are designed to assist with personal care or chore services that support daily living activities, such as meal preparation, cleaning, and bathing, typically provided by trained home-care workers and aides. These services enable individuals to live in the community or their own homes, rather than in institutional care settings (e.g., nursing facilities).

As noted in the bill, DHS previously worked with our actuaries and completed rate studies for various Home and Community Based Services (HCBS), including In-Home Services, which were submitted to the Legislature prior to the 2023 legislative session. In this study, three scenarios were modeled: “low,” “medium,” and “high” level increases. In the 2025 legislative session, DHS was fortunate to receive additional funding to fund the “low” scenario amount for in-home services. If the intent of this bill is to increase funding from the “low” to the “high” scenario, the additional general fund need would be approximately \$6.7 million.

Thank you for the opportunity to provide testimony 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
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January 28, 2026

TESTIMONY TO THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senate Bill 877 – Relating to Human Services

The Disability and Communication Access Board (DCAB) supports Senate Bill 877 – Relating to Human Services. This bill appropriates funds to be expended by the Department of Human Services to increase funding for Medicaid in-home services.

Many Medicaid recipients prefer to receive in-home services and age in place. Hawaii has a shortage of community care foster family homes and expanded adult residential care homes. This bill addresses the shortage of care facilities and cost savings for Medicaid recipients from out of pocket expenses if placed in an institutionalized nursing facility. This bill would assist those who prefer to age in place and prevent placement in more expensive nursing facilities.

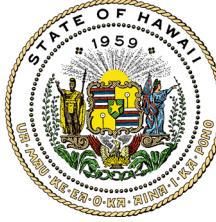
Thank you for the opportunity to testify.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kristine Pagano".

KRISTINE PAGANO
Acting Executive Director

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KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII



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Testimony COMMENTING on SB0877 Relating to Human Services

COMMITTEE ON HEALTH AND HUMAN SERVICES
SENATOR JOY SAN BUENAVENTURA, CHAIR
SENATOR ANGUS L.K. MCKELVEY, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
2 of Health, **offers comments on SB877.**

3 **Fiscal Implications:** This measure appropriates \$16,160,000 for SFY 2025-2026 and the same
4 sum for SFY 2026-2027 to be expended by the Department of Human Services (DHS), if DHS
5 obtains maximum federal matching funds.

6 **Purpose and Justification:** This bill appropriates funds to increase funding for Medicaid in-
7 home services. EOA appreciates the intent of this measure and recommends appropriating any
8 increase to Medicaid funds through the Executive budget, so the funds may be incorporated into
9 DHS' budget.

10 Medicaid in-home services improve the quality of life for older adults and individuals
11 with disabilities and allow these individuals to live independently, remain in their home and
12 avoid institutionalization. These services rely on care workers who provide essential support, yet

1 wages remain low and opportunities for training or advancement are limited. Consequently,
2 recruitment is difficult, turnover is high, and provider capacity continues to decline.

3 Medicaid in-home care services are also cost effective by keeping individuals out of
4 costly institutions, reducing healthcare expenditures for the state. Increasing funding for
5 Medicaid in-home services is an important investment that will improve the quality of life for
6 older adults and individuals with disabilities, raise provider rates and help stabilize the
7 workforce, and is cost effective.

8 **Recommendation:** EOA respectfully recommends allocating funds through the Executive
9 budget and defers to DHS on the appropriate funding amount.

10 Thank you for the opportunity to testify.



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**The State Legislature
Senate Committee on Health and Human Services
Wednesday, January 28, 2026
Conference Room 225, 1:30 p.m.**

TO: The Honorable Joy San Buenaventura, Chair
FROM: Kealii Lopez, AARP State Director
RE: Support for S.B.877, Relating to Human Services

Aloha Chair San Buenaventura 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 supports S.B. 877, which appropriates funds to increase Medicaid reimbursement for in-home services. This bill advances policies that allow kūpuna and people with disabilities to remain safely in their homes and communities, where they overwhelmingly prefer to receive care.

S.B. 877 strengthens home care services by directing additional funding to support high-quality, in-home care. These services are essential for older adults and individuals with disabilities who rely on assistance with daily activities, chronic condition management, and personal care. By investing in in-home services, the State helps prevent unnecessary institutionalization, reduce hospitalizations, and improve overall health outcomes.

Importantly, this bill also recognizes the vital role of caregivers by improving compensation and support for the home care workforce. Caregivers are the backbone of our long-term care system, yet many face low wages and high turnover. Increased Medicaid funding helps stabilize the workforce, strengthen care continuity, and ensure that families can rely on a trained and sustainable caregiving system.

S.B. 877 affirms Hawaii's commitment to allowing kūpuna to age with dignity, independence, and connection to their families and communities.

Thank you for the opportunity to testify in support of legislation that benefits Hawaii's kūpuna, people with disabilities, and the caregivers who serve them.



To: The Honorable Joy San Buenaventura, Chair
The Honorable Angus McKelvey, Vice Chair
Senate Committee on Health and Human Services

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

Hearing: Wednesday, January 28, 2026, 1:30pm, Conference Room 225

RE: **SB877 Relating to Human Services**

AlohaCare appreciates the opportunity to provide testimony in **support of SB877**. This measure appropriates funds to increase the funding for Medicaid in-home services, conditioned on the Department of Human Services obtaining the maximum federal matching funds.

Founded in 1994 by Hawai'i's Community Health Centers and the Queen Emma Clinics, AlohaCare is a community-rooted, non-profit health plan serving over 66,000 Medicaid and Medicaid-Medicare dual-eligible residents on all islands. Approximately 37 percent of our members are keiki. We are Hawai'i's only health plan exclusively dedicated to serving Medicaid-eligible beneficiaries. 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, person with disabilities, and others needing home- and community-based in-home 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, function, 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 SB877**.



Hawaii Medical Association

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SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Angus L.K. McKelvey, Vice Chair

Date: January 28, 2026
From: Hawaii Medical Association (HMA)
Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee

RE SB 877 Relating to Human Services- DHS; Medicaid; In-Home Services; Matching Funds; Appropriation
Position: Support

SB 877 would appropriate funds to increase funding for Medicaid in-home services, conditioned on the Department of Human Services obtaining the maximum federal matching funds.

Our Hawai'i kupuna hope to remain in their own homes and communities as they age, rather than enter institutional care. In-home services — including assistance with daily living activities and personal care — are essential to achieving this goal. The increased funding for Medicaid home- and community-based services while maximizing federal matching funds will strengthen access to in-home services for kupuna (older adults) and people with disabilities.

Enhanced in-home services make it easier for older adults and people with disabilities to follow care plans coordinated by their physicians and care teams, improving outcomes and reducing unnecessary emergency care. This measure benefits rural communities and underserved populations who have less access to facility-based care but rely heavily on community and home-based services. The measure also indirectly supports family caregivers, who are pivotal to Hawai'i's care ecosystem.

HMA supports this measure to strengthen Hawai'i's Medicaid home- and community-based care system, promote health equity with continuity of care, reduce unnecessary emergency care and ensure kupuna and individuals with disabilities can age with dignity and independence in their own homes.

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

(continued)

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

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REFERENCES

Mohamed, M., Burns, A., & O'Malley Watts, M. (2026, January 5). *Medicaid Home Care (HCBS) in 2025*. Kaiser Family Foundation. <https://www.kff.org/medicaid/medicaid-home-care-hcbs-in-2025/> Accessed Jan 24 2026.

Villanueva, G. (2025, December 4). *Hawaii senior care statistics: The growing need for in-home support*. Mālama Maika'i. <https://malamamaikai.com/hawaii-senior-care-statistics/> Accessed Jan 24 2026.

Bonvissuto K. Hawaii makes progress on workforce issues but is challenged by demographics. *McKnight's Senior Living*. Accessed Jan 24 2026.

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

SB-877

Submitted on: 1/26/2026 9:39:15 PM
Testimony for HHS on 1/28/2026 1:30:00 PM

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

Comments:

In support.

To: Senate Committee on Health and Human Services
Re: **SB 877 – Relating to Human Services**
Hawai'i State Capitol & Via Videoconference
January 28, 2026, 1:30 PM

Dear Chair San Buenaventura, Vice Chair McKelvey, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of SB 877**, which seeks to appropriate funds to increase the funding for Medicaid in-home services, conditioned on the Department of Human Services obtaining the maximum federal matching funds.

Children are among the most vulnerable members of our society, and ensuring their well-being requires a comprehensive and holistic approach to healthcare. For many families, especially those in underserved communities, in-home healthcare services are a vital resource that allows children to receive the care they need in a familiar, supportive environment. By increasing funding for Medicaid in-home services, we are taking a crucial step toward enhancing the health and well-being of our youngest residents.

In-home services provide families with the flexibility to manage the complex needs of children with chronic health conditions, developmental disabilities, or other medical challenges. These services allow children to remain in their homes and communities, reducing the need for frequent hospital visits or institutional care, which can be disruptive and emotionally taxing for both the children and their families.

Additionally, by maximizing federal matching funds, this bill will ensure that Hawai'i can leverage available resources to support these vital services without overburdening state resources. This funding boost will directly benefit children by improving access to specialized care, supporting family caregivers, and addressing health disparities that disproportionately impact underserved populations, particularly Native Hawaiian, Pacific Islander, and other rural communities.

We strongly believe that this bill will have a lasting positive impact on children's health and quality of life across Hawai'i. By supporting Medicaid in-home services, we are giving families the tools to keep their children healthy, safe, and thriving in their homes. We urge you to support this important initiative and prioritize the well-being of Hawai'i's keiki.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,
Nicole Woo
Director of Research and Economic Policy

SB-877

Submitted on: 1/27/2026 10:18:57 AM
Testimony for HHS on 1/28/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Austin "Shiloh" Martin	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Chair Aquino, Vice Chair Shimabukuro, and committee members.

I am Austin Martin, Chair of the Libertarian Party of Hawaii, testifying in strong opposition to SB 877 (Medicaid Expansion/Funding).

SB 877 expands Medicaid eligibility thresholds or increases state funding commitments, compelling taxpayers to subsidize additional enrollees through coercive wealth transfer into a program with documented high administrative costs, fraud vulnerabilities, and provider reimbursement rates that restrict patient access. This expansion deepens long-term fiscal obligations without corresponding revenue sources.

Further growth of this entitlement crowds out private insurance options, discourages personal responsibility, and drives premium increases for non-subsidized residents. I recommend rejecting SB 877 and instead removing regulatory barriers to health savings accounts and interstate insurance competition.

Mahalo for your kokua to this matter.

Austin Martin

SB-877

Submitted on: 1/24/2026 4:31:40 AM
Testimony for HHS on 1/28/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nash Witten	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Chair and Committee Members,

As a born and raised primary care Family Medicine physician practicing in my hometown of Hale‘iwa, O‘ahu, I STRONGLY SUPPORT this bill.

Thank you for the opportunity to testify on this bill,

Nash Witten, MD

SB-877

Submitted on: 1/24/2026 10:56:01 AM
Testimony for HHS on 1/28/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Victor K. Ramos	Individual	Oppose	Written Testimony Only

Comments:

From where will the funds be appropriated?