

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



GOV. MSG. NO. 1332

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

July 10, 2026

The Honorable Ronald D. Kouchi  
President of the Senate,  
and Members of the Senate  
Thirty-Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura  
Speaker, and Members of the  
House of Representatives  
Thirty-Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on July 10, 2026, the following bill was signed into law:

S.B. NO. 3325, S.D. 1, H.D. 2,  
C.D. 1

RELATING TO PUBLIC SCHOOL MEDICAID  
REIMBURSEMENTS.  
**ACT 230**

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D." in a cursive style.

Josh Green, M.D.  
Governor, State of Hawai'i

Approved by the Governor

on JUL 10 2026

THE SENATE  
THIRTY-THIRD LEGISLATURE, 2026  
STATE OF HAWAII

ACT 230  
S.B. NO. 3325  
S.D. 1  
H.D. 2  
C.D. 1

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# A BILL FOR AN ACT

RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that, pursuant to Senate  
2 Concurrent Resolution No. 81, H.D. 1 (2018), a working group  
3 submitted to the 2019 legislature a report examining how the  
4 department of education could maximize medicaid reimbursements  
5 for support services offered to eligible students, specifically  
6 to special education youth having severe mental health  
7 conditions.

8       The legislature believes that, given the critical  
9 importance of providing all students with a quality public  
10 education, further oversight and an updated plan are needed to  
11 ensure that the department of education continues to maximize  
12 medicaid reimbursements for administrative and support services  
13 for students with special needs.

14       Accordingly, the purpose of this Act is to require the  
15 department of education to provide:



1 (1) An updated plan to maximize medicaid reimbursements  
2 for administrative and support services for students  
3 with special needs; and

4 (2) Annual reports on the status of the plan's  
5 implementation.

6 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is  
7 amended by adding a new section to part II, subpart C, to be  
8 appropriately designated and to read as follows:

9 "§302A- Medicaid reimbursement for administrative and  
10 support services; students with special needs; reporting  
11 requirements. (a) The department shall establish an updated  
12 plan to maximize medicaid reimbursements for administrative and  
13 support services provided to students with special needs. The  
14 department may amend the plan as necessary to carry out the  
15 purposes of this section.

16 (b) The department, in consultation with the med-QUEST  
17 division of the department of human services, shall submit a  
18 report to the legislature no later than twenty days prior to the  
19 convening of each regular session providing the status of the  
20 department's plan and efforts pursuant to subsection (a). The  
21 report shall include:

- 1        (1) A copy of the plan established pursuant to  
2        subsection (a) and the status of the plan's  
3        implementation;
- 4        (2) A detailed explanation of how the following medicaid  
5        claim requirements shall be met:
- 6        (A) Service documentation for the individualized  
7        education programs of applicable students;
- 8        (B) Confirmation of a student's medicaid eligibility;
- 9        (C) Records of completed parental consent forms;
- 10       (D) Documentation indicating that all reported  
11       services provided are appropriate, medically  
12       necessary, and covered by med-QUEST, in addition  
13       to any other details required for services  
14       provided; and
- 15       (E) Documentation substantiating that any medicaid  
16       reimbursable service provided was delivered by a  
17       licensed and medicaid-enrolled provider or by  
18       select professionals under the supervision of a  
19       licensed provider;
- 20       (3) Training materials and evidence of successful training  
21       on medicaid reimbursable school-based services rules

1 and requirements for department staff, including the  
2 assistant superintendent for the office of student  
3 support services, educational director of the  
4 exceptional support branch of the office of student  
5 support services, district education specialists,  
6 student services coordinators, teachers, and  
7 providers;

8 (4) Detailed information on the department's procedures  
9 for identifying the medically necessary needs of  
10 special education students, and, if eligible for  
11 medicaid reimbursement, the complete process of  
12 pursuing reimbursement;

13 (5) An evaluation of the department's progress in  
14 implementing the updated plan, including monthly  
15 indicators of the total:

16 (A) Number of students served, classified by complex  
17 area;

18 (B) Amount of medicaid reimbursement received for  
19 direct services, classified by complex area, and  
20 administrative services statewide; and

1           (C) Amount of federal reimbursement leveraged for  
2           eligible services, including both direct service  
3           claims and administrative claims, classified by  
4           complex area; and

5           (6) Information detailing how reimbursement moneys are  
6           being reinvested."

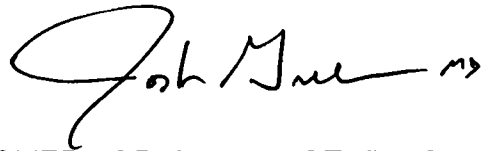
7           SECTION 3. New statutory material is underscored.

8           SECTION 4. This Act shall take effect upon its approval.



S.B. NO. 3325  
S.D. 1  
H.D. 2  
C.D. 1

APPROVED this 10th day of July, 2026

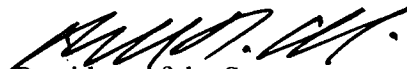
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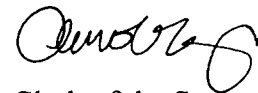
GOVERNOR OF THE STATE OF HAWAII

**THE SENATE OF THE STATE OF HAWAI‘I**

Date: May 6, 2026  
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate  
of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2026.

  
President of the Senate

  
Clerk of the Senate

SB No. 3325, SD 1, HD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 6, 2026  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2026.



Nadine K. Nakamura  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives