



1 "Certified community behavioral health clinic" means a  
2 behavioral health clinic that has been certified by the  
3 community behavioral health clinic certifying office.

4 "Office" means the community behavioral health clinic  
5 certifying office.

6 "Person" means one or more individuals, a company,  
7 corporation, partnership, association, or any other type of  
8 legal entity.

9 "Prospective payment system" means a payment methodology  
10 that establishes a fixed rate for services provided by a  
11 certified community behavioral health clinic.

12 § -3 **Establishment of the community behavioral health**

13 **clinics certifying office; staff; duties.** (a) There is  
14 established a community behavioral health certifying office  
15 within the department of health for administrative purposes  
16 only. The office shall be headed by an executive director, who  
17 shall be appointed by the board and shall be exempt from chapter  
18 76. The executive director shall have experience in health care  
19 administration and behavioral health.

20 (b) At a minimum, the staff of the office shall consist  
21 of:

- 1 (1) One full-time quality manager;
  - 2 (2) One full-time financial analyst;
  - 3 (3) One full-time administrative assistant to the
  - 4 executive director;
  - 5 (4) One full-time evaluator; and
  - 6 (5) One full-time data engineer;
- 7 provided that the staff listed in this subsection shall be
- 8 exempt from chapter 76 and shall serve at the pleasure of the
- 9 executive director of the office.

10 (c) The office shall have the following powers and duties:

- 11 (1) Administer a certified community behavioral health
- 12 clinic program, which shall include but not be limited
- 13 to:
  - 14 (A) Creating and maintaining a prospective payment
  - 15 system, including analysis of cost reports for
  - 16 rebasing;
  - 17 (B) Creating and maintaining certification criteria
  - 18 for community behavioral health clinics;
  - 19 (C) Certifying community behavioral health clinics
  - 20 and monitoring and, when necessary, providing



- 1                   corrective action to certified community  
2                   behavioral health clinics;
- 3           (D)   Providing technical assistance to certified  
4                   community behavioral health clinics and to  
5                   clinics seeking certification on certification  
6                   requirements and the prospective payment system;  
7                   and
- 8           (E)   Coordinating and collaborating with government  
9                   and private entities to ensure federal  
10                  compliance, including submission of required data  
11                  and reports;
- 12       (2)   Participate and engage with individuals and public and  
13                  private entities to ensure successful delivery of  
14                  mental health and substance use services to all people  
15                  of the State through certified community behavioral  
16                  health clinics;
- 17       (3)   Establish reasonable fees for certification  
18                  application; and
- 19       (4)   Adopt rules pursuant to chapter 91 for the purposes of  
20                  implementing this chapter.



1           §    -4   **Certified community behavioral health clinics**  
2   **oversight board; established.** (a) There is established a  
3 certified community behavioral health clinics oversight board  
4 within the department of health for administrative purposes  
5 only. The board shall be composed of eleven members to be  
6 appointed by the governor pursuant to section 26-34 for  
7 staggered terms; provided that at least fifty per cent of the  
8 board shall be residents of a county with a population less than  
9 500,000. The members of the board shall include:

- 10           (1) Per populated island, one resident with lived  
11           experience in mental health or substance use  
12           conditions, or both;
- 13           (2) One representative from a federally qualified health  
14           center;
- 15           (3) One representative from a substance use treatment  
16           provider;
- 17           (4) One representative from an adult mental health  
18           treatment provider;
- 19           (5) One representative from an inpatient psychiatric  
20           facility, inpatient acute care hospital, or hospital  
21           outpatient clinic; and



1 (6) One board certified physician in the field of  
2 pediatrics or child psychiatry.

3 (b) The following shall serve as ex officio, nonvoting  
4 members of the board:

5 (1) The governor, or the governor's designee;

6 (2) The director of health, or the director's designee;

7 (3) The superintendent of education, or the  
8 superintendent's designee; and

9 (4) The administrator of the med-QUEST division of the  
10 department of human services, or the administrator's  
11 designee.

12 (c) The board shall perform the following duties and  
13 functions:

14 (1) Review and comment upon:

15 (A) Clinic certification applications; and

16 (B) Any changes or modifications to certification  
17 criteria;

18 (2) Decertify a certified community behavioral health  
19 clinic as appropriate if the certified community  
20 behavioral health clinic has not made required  
21 corrective action;



- 1 (3) Encourage efficient and coordinated use of federal,  
2 state, and private resources in the provision of  
3 services;
- 4 (4) Identify gaps in services and coordinate  
5 responsibilities of various public or private agencies  
6 for such missing services;
- 7 (5) Advocate for the needs of individuals with mental  
8 health or substance use conditions or both before the  
9 legislature and the public and to the governor; and
- 10 (6) Support and conduct outreach activities to identify  
11 individuals with mental health or substance use  
12 conditions, or both, and their families to obtain  
13 services, including access to crisis services or other  
14 specialized services.
- 15 (d) Members of the board shall serve without compensation,  
16 but shall be paid their necessary expenses in attending meetings  
17 of the board.

18 § -5 **Certified community behavioral health clinics;**  
19 **certification; operations.** (a) No person, public or private,  
20 shall operate a certified community behavioral health clinic  
21 with the expectation of payment for services under a prospective



1 payment system unless the community behavioral health clinic has  
2 been certified by the office pursuant to this chapter.

3 (b) Notwithstanding any other law to the contrary, a  
4 department of health community mental health center may provide  
5 services necessary to meet certification criteria established by  
6 the office.

7 § -6 **Certified community behavioral health clinic**  
8 **special fund; established; deposits; expenditures.** (a) There is  
9 established within the state treasury the certified community  
10 behavioral health clinic special fund, to be administered by the  
11 office, into which shall be deposited:

- 12 (1) All fees collected under this chapter; and  
13 (2) Appropriations made by the legislature to the fund.

14 (b) Moneys in the special fund shall be expended by the  
15 office to assist in offsetting program expenses of the office."

16 SECTION 2. Section 329-2, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "§329-2 **Hawaii advisory commission on drug abuse and**  
19 **controlled substances; number; appointment.** There shall be  
20 established a state advisory commission on drug abuse and  
21 controlled substances consisting of not more than fifteen nor



1 less than nine members appointed by the governor, as provided in  
2 section 26-34. The members shall be selected on the basis of  
3 their ability to contribute to the solution of problems arising  
4 from the abuse of controlled substances, and to the extent  
5 possible, shall represent the pharmacological, medical,  
6 community and business affairs, youth action, educational, legal  
7 defense, enforcement, and corrections segments of the community.  
8 One of the appointed members shall be a member of the state  
9 council on mental health established by section 334-10, and  
10 shall be knowledgeable about the community and the relationships  
11 between mental health, mental illness, and substance abuse. One  
12 of the appointed members shall be a representative from the  
13 certified community behavioral health clinic certifying office  
14 established by section -3. The commission shall elect a  
15 chairperson from among its members. The members shall serve  
16 without compensation, but shall be paid their necessary expenses  
17 in attending meetings of the commission. The commission shall  
18 be a part of the department of health for administrative  
19 purposes; provided that the department of health shall appoint  
20 an ex-officio non-voting representative to the commission who  
21 shall regularly attend meetings of both this commission and the



1 state council on mental health, and make regular reports to both  
2 bodies."

3 SECTION 3. Section 334-10, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5 "(a) There is established, within the department of health  
6 for administrative purposes, a state council on mental health.  
7 The council shall consist of [~~twenty-one~~] twenty-two members  
8 appointed by the governor as provided in section 26-34. In  
9 making appointments to the council, the governor shall ensure  
10 that all service area boards of the State are represented, and  
11 that a majority of the members are nonproviders of mental health  
12 or other health services, and that a majority of the members are  
13 not state employees. The number of parents of children with  
14 serious emotional disturbances shall be sufficient to provide  
15 adequate representation of such children in the deliberations of  
16 the council. The council shall be composed of residents of the  
17 State, including individuals representing:

18 (1) The principal state agencies with respect to mental  
19 health, education, vocational rehabilitation, criminal  
20 justice, housing, medicaid, and social services;



- 1           (2) Public and private entities concerned with the need,  
2           planning, operation, funding, and use of mental health  
3           services and related support services;
- 4           (3) Adults with serious mental illnesses who are  
5           receiving, or have received, mental health services;
- 6           (4) The families of such adults or families of children  
7           with serious emotional disturbances; [~~and~~]
- 8           (5) The Hawaii advisory commission on drug abuse and  
9           controlled substances who shall be a person  
10          knowledgeable about the community and the  
11          relationships between mental health, mental illness,  
12          and substance abuse[+]; and
- 13          (6) The certified community behavioral health clinic  
14          certifying office established pursuant to  
15          section -3."

16           SECTION 4. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$800,000 or so much  
18 thereof as may be necessary for fiscal year 2026-2027 to carry  
19 out the purposes of this Act, including the hiring of necessary  
20 staff for the community behavioral health clinic certifying  
21 office established pursuant to this Act.

1           The sum appropriated shall be expended by the department of  
2 health for the purposes of this Act.

3           SECTION 5. If any provision of this Act, or the  
4 application thereof to any person or circumstance, is held  
5 invalid, the invalidity does not affect other provisions or  
6 applications of the Act that can be given effect without the  
7 invalid provision or application, and to this end the provisions  
8 of this Act are severable.

9           SECTION 6. If any part of this Act is found to be in  
10 conflict with federal requirements that are a prescribed  
11 condition for the allocation of federal funds to the State, the  
12 conflicting part of this Act is inoperative solely to the extent  
13 of the conflict and with respect to the agencies directly  
14 affected, and this finding does not affect the operation of the  
15 remainder of this Act in its application to the agencies  
16 concerned. The rules under this Act shall meet federal  
17 requirements that are a necessary condition to the receipt of  
18 federal funds by the State.

19           SECTION 7. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

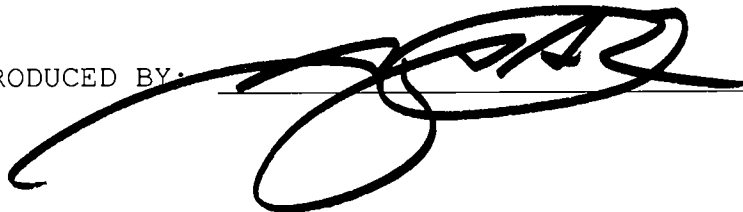
21           SECTION 8. This Act shall take effect on July 1, 2026.



# S.B. NO. 3274

1

INTRODUCED BY:

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# S.B. NO. 3274

**Report Title:**

Department of Health; Community Behavioral Health Clinics  
Certifying Office; Oversight Board; New Special Fund; Hawaii  
Advisory Commission on Drug Abuse and Controlled Substances;  
State Council on Mental Health; Appropriation

**Description:**

Establishes the Community Behavioral Health Clinic Certifying  
Office to certify community behavioral health clinics and  
provide technical assistance for clinics seeking certification.  
Establishes the Certified Community Behavioral Health Clinics  
Oversight Board. Establishes the Certified Community Behavioral  
Health Clinic Special Fund. Amends the composition of the  
Advisory Commission on Drug Abuse and Controlled Substances and  
State Council on Mental Health to include a member from the  
Community Behavioral Health Clinic Certifying Office.  
Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

