

MAR 16 2026

---

---

# SENATE RESOLUTION

SUPPORTING THE REACTIVATION OF, AND URGING THE GOVERNOR TO APPOINT MEMBERS TO, THE HAWAII HEALTH AUTHORITY TO PLAN FOR A TRANSITION TO A MAXIMALLY COST-EFFECTIVE SINGLE-PAYER HEALTH CARE SYSTEM FOR THE STATE, TO BE IMPLEMENTED AS SOON AS POSSIBLE AFTER WAIVERS HAVE BEEN OBTAINED TO CAPTURE ALL MAJOR SOURCES OF FEDERAL FUNDING FLOWING TO THE STATE THROUGH MEDICARE, MEDICAID, AND TRICARE.

1           WHEREAS, the Budget Reconciliation Act, signed into law in  
2 July 2025, cuts over \$1,000,000,000,000 in Medicaid over ten  
3 years, with estimates suggesting that it will result in fifteen  
4 million more people without health insurance by 2034; and  
5

6           WHEREAS, these cuts will have a significant impact on  
7 Hawaii's healthcare system, with more than four hundred thousand  
8 residents participating in Medicaid; and  
9

10           WHEREAS, the University of Hawaii Economic Research  
11 Organization estimates that the cuts would create a loss of  
12 \$400,000,000 in Medicaid spending in Hawaii; and  
13

14           WHEREAS, these developments further necessitate the  
15 establishment of a more cost-effective health care financing  
16 system; and  
17

18           WHEREAS, a Hawaii single-payer health care financing system  
19 could achieve large savings from reduced administrative costs  
20 without cuts to care delivery by doctors and hospitals; and  
21

22           WHEREAS, global budgets based on the cost of operations  
23 could eliminate about fifteen percent of total hospital budgets  
24 that would otherwise be apportioned for billing and collection  
25 costs; and  
26

27           WHEREAS, independent doctors paid with a simplified,  
28 standardized fee-for-service structure based on time and



1 required training for a given procedure, rather than assigning a  
2 relative value to thousands of procedure codes, could markedly  
3 reduce billing and collections costs that now consume around  
4 fifteen percent of physician practice revenue; and

5  
6 WHEREAS, similar savings in the fifteen percent range could  
7 be achieved from reduced administrative costs for a Hawaii  
8 single-payer administrator; and

9  
10 WHEREAS, some of these savings could be used to fund  
11 community-based programs for high-risk and special needs  
12 patients and specialist consultations to primary care to save  
13 the cost of preventable emergency room visits and  
14 hospitalizations; and

15  
16 WHEREAS, some of these savings could be used to improve  
17 take-home pay for primary care specialties and psychiatry so  
18 that doctors in underpaid specialties could afford Hawaii's high  
19 cost of living, reversing the State's severe physician shortage;  
20 and

21  
22 WHEREAS, health care costs for Medicaid and state and  
23 county employee and retiree benefits now consume around thirty  
24 percent of the total state budget; and

25  
26 WHEREAS, all the above administrative cost savings could  
27 add up to a reduction in Hawaii health care costs in the range  
28 of thirty percent or more, reducing the total state budget by  
29 around nine percent; and

30  
31 WHEREAS, the Hawaii Health Authority is already established  
32 in state law with a mission of planning for a universal health  
33 care system covering all residents of the State, but the  
34 Authority is currently inactive; now, therefore,

35  
36 BE IT RESOLVED by the Senate of the Thirty-third  
37 Legislature of the State of Hawaii, Regular Session of 2026,  
38 that this body supports the reactivation of, and the Governor is  
39 urged to appoint members to, the Hawaii Health Authority to plan  
40 for a transition to a maximally cost-effective single-payer  
41 health care system for the State, to be implemented as soon as  
42 possible after waivers have been obtained to capture all major



# S.R. NO. 167

1 sources of federal funding flowing to the State through  
2 Medicare, Medicaid, and TRICARE; and  
3

4 BE IT FURTHER RESOLVED that the Hawaii Health Authority is  
5 requested to submit a report of its progress and  
6 recommendations, including any proposed legislation,  
7 to the Legislature no later than twenty days prior to the  
8 convening of the Regular Session of 2027; and  
9

10 BE IT FURTHER RESOLVED that certified copies of this  
11 Resolution be transmitted to the Governor, Director of Finance,  
12 and Director of Human Services.  
13  
14  
15

OFFERED BY: Karl Rhoads

