

Honolulu, Hawaii
MAR 30 , 2026

RE: S.B. No. 3324
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Human Services & Homelessness, to which was referred S.B. No. 3324, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

begs leave to report as follows:

The purpose of this measure is to appropriate funds to the Department of Human Services to increase funding for certain Medicaid home and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes.

Your Committee received testimony in support of this measure from the Department of Human Services; Department of Health; State Council on Developmental Disabilities; Disability and Communication Access Board; AARP Hawai'i; Hawaii Disability Rights Center; Hawaii Medical Association; Aloha Independent Living Hawaii; Balanced ABA Inc.; AlohaCare; and six individuals.

Your Committee finds that community care foster family homes and other long-term care settings that serve many of Hawaii's most vulnerable residents, including older adults and individuals with disabilities, play a critical role in supporting residents in community-based settings and helping prevent unnecessary institutionalization. Your Committee further finds that licensed



care homes often operate on very narrow margins, while facing rising costs for staffing, food, utilities, insurance, training, and regulatory compliance. Without reimbursement rates that reflect the true cost of care, providers face significant financial strain, which can lead to workforce shortages, reduced capacity, or facility closures. This measure strengthens reimbursement rates for these facilities -- a proactive step that will ensure that safe, licensed home and community-based care settings remain available for residents who depend on them.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$1,700,000, which will be matched by sixty-two percent in federal funds.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3324, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3324, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Homelessness,



LISA MARTEN, Chair



