

STAND. COM. REP. NO. **2637**

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 3324

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 3324 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Appropriate moneys 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; and
- (2) Require the Department to obtain matching federal funds and to pursue additional funding sources.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, State Council on Developmental Disabilities, Office of Health Care Assurance, Disability and Communication Access Board, Executive Office on Aging, Hawaii Disability Rights Center, Community Home Care Association of Hawaii, AARP Hawai'i, PH3, Providing Healthy Homecare for Hawaii, Hawaii Medical Association, United Community Healthcare of Hawaii, Alliance of Residential Care Administrators, Big Island Adult Foster Home Operator, Adult Foster Homecare Association of Hawaii, AlohaCare, and eighteen individuals.



Your Committee finds that adequate Medicaid reimbursement is essential to sustaining the State's systems of care. Your Committee further finds that many licensed care homes 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 Medicaid reimbursement to ensure that safe, licensed care settings remain available for residents who depend on them.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3324 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,



JOY A. SAN BUENAVENTURA, Chair



