

Honolulu, Hawaii

MAR 30 , 2026

RE: S.B. No. 3325
S.D. 1
H.D. 2

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. 3325, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS,"

begs leave to report as follows:

The purpose of this measure is to require the Department of Education to establish an updated plan to maximize Medicaid reimbursements for administrative and support services provided to students with special needs and submit annual reports to the Legislature regarding this plan.

Your Committee received testimony in support of this measure from the Department of Education; Aloha Independent Living Hawaii; Hawai'i Association for Behavior Analysis; Balanced ABA Inc.; and three individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that Medicaid is an important tool to bring additional resources into schools for administrative and support services for students with special needs, including students with significant mental health and behavioral support needs. However, Medicaid reimbursements have not always been fully or consistently maximized. Establishing a comprehensive




plan to maximize Medicaid reimbursement for services such as counseling, behavioral supports, related services in Individualized Education Programs, and coordination, will ensure that federal resources are fully leveraged to support critical services for students, without placing additional strain on families or state resources.

Your Committee has amended this measure by:

- (1) Clarifying that the Medicaid reimbursement training should be completed by the Assistant Superintendent of the Office of Student Support Services, Educational Director of the Exceptional Support Branch of the Office of Student Support Services, and student services coordinators; and
- (2) Amending the requirements for the evaluation of the Department of Education's updated plan implementation progress by deleting the total number of eligible administrative and support services provided, classified by complex area, and instead including the amount of Medicaid reimbursements received for direct services by complex area and administrative services statewide.

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. 3325, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 3325, S.D. 1, H.D. 2.

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



LISA MARTEN, Chair



