



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Commerce and Consumer Protection
Tuesday, March 24, 2026
9:35 a.m.
State Capitol, Conference Room 229 and via Videoconference

On the following measure:
H.B. 1546, H.D. 1, RELATING TO HEALTH INSURANCE

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

My name is Scott K. Saiki, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to (1) establish a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options; (2) authorize the Department of Human Services to contract with a nonprofit health insurer or community-based organization to operate the Pilot Program under certain circumstances; (3) authorize the Department of Human Services to issue premium subsidies in certain circumstances; (4) require reports to the Legislature; and (5) repeal on 6/30/2029.

The Department appreciates the intent of this measure as a bridge to affordable, continuous health insurance for residents who are most vulnerable to losing Medicaid coverage and is ready to work with the Department of Human Services to implement the pilot program.

The measure is to assist persons who have lost Medicaid coverage but qualify for federal advance premium tax credits: the ability to enroll in federally facilitated marketplace silver level plans (page 5, lines 6 to 9). The Department notes eligibility factors and the ability to enroll in the federally facilitated marketplace through HealthCare.gov is determined by the U.S. Centers for Medicare and Medicaid Services (CMS). Therefore, it is possible that the individuals in option 1 may not have the “ability” to enroll in marketplace silver plans due to CMS eligibility factors. In addition, the federal tax credit in the measure is referred to as the “advanced” premium tax credit (Page 5, lines 7 and 14), however the federal tax credit available on the federally facilitated marketplace is the Advance Premium Tax Credit or APTC.

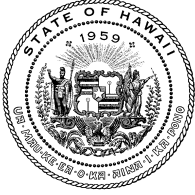
Section 2(a)(2) of the measure provides a \$1,000 annual state subsidy for “preventive care” for those individuals who have (1) lost their Medicaid coverage, (2) do not qualify for federal advanced premium tax credits, and (3) have acquired a high-deductible health plan. Due to recent federal changes, all Bronze and Catastrophic level health insurance plans meet the definition of a high-deductible health plan. While these plans do offer the benefit of lower monthly premiums, they are characterized by high annual deductibles that may present a financial hurdle for participants. For the 2026 plan year, Bronze plans in Hawaii have an average deductible of approximately \$6,700. Catastrophic plans are required to have a deductible equal to the annual out-of-pocket maximum, which for 2026 is \$10,600 for an individual. The overall financial design of Bronze and Catastrophic tiers means that enrollees would likely face significant out-of-pocket expenses for any major medical events before insurance coverage fully applies.

Additionally, the Department notes the scope of “preventive care” that are to be covered by \$1,000 annual subsidy is undefined. Under the Patient Protection and Affordable Care Act (ACA), non-grandfathered health plans, including Bronze and

Catastrophic plans, provide certain preventive services with no cost-sharing to the enrollee. Consequently, without a definition of “preventive services” in the bill, it is unclear what services the state subsidy may be targeting.

Finally, the measure provides the Department of Human Services the option to “contract with a nonprofit health insurer or community-based organization to administer or operate the pilot program; provided that the department shall allow the operator to access state-backed reinsurance or risk stabilization support during the pilot program”. The Department requests clarification as to the state-backed reinsurance or risk stabilization support the measure wishes to make available.

Thank you for the opportunity to testify on this bill.



**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

JOSH GREEN, MD
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

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ADMINISTRATOR

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March 23, 2026

TO: SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Honorable Members

FROM: John C. (Jack) Lewin, MD, Administrator, SHPDA, and Sr. Advisor to
Governor Josh Green, MD on Healthcare Innovation

RE: HB 1546-HD1 -- RELATING TO HEALTH INSURANCE

HEARING: Tuesday, March 24, 2026 @ 09:35 am; Conference Room 229

POSITION: SUPPORT with COMMENTS

Testimony:

SHPDA strongly supports HB 1546-HD1, with comments.

SHPDA emphatically supports this bill as key to our primary responsibility to assuring universal access to high-quality, equitable, affordable health care for ALL.

HB1546-HD1 establishes a 3-year Health Coverage Continuity Program within DHS in consultation with DCCA to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options. DHS will additionally offer the non-profit or community-based organization "Pilot operator" access to their state-backed reinsurance and risk stabilization support. DHS can also offer premium subsidies or vouchers to the Pilot operator to facilitate coverage.

SHPDA strongly supports providing health insurance coverage to all uninsured people in the state and believes in preparing for rising numbers of uninsured people due to the HR1 provision affecting Medicaid and the ACA Exchange beneficiaries. This measure describes a novel idea. We defer to DHS and DCCA on their policy positions here in terms of cost and implementation strategies; but we firmly believe this kind of preparation is essential.

We also believe there may be other approaches to be considered to achieve this purpose, which is central to our mission, and we look forward to working with the

HB 1546-HD1: testimony of SHPDA (2026), continued.

Legislature and state agencies who may want to collaborate and contribute to the success of such an effort.

Thank you for hearing HB 1546-HD1.

■ -- Jack Lewin, MD, Administrator, SHPDA



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Commerce and Consumer Protection
March 24, 2026 at 9:35 a.m.

By

Debora Halbert
Vice President for Academic Strategy
University of Hawai'i System

HB 1546 HD1 – RELATING TO HEALTH INSURANCE.

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

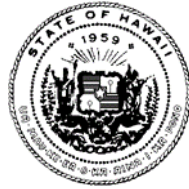
The University of Hawai'i supports HB 1546 HD1 - Relating to Health Insurance. The University of Hawai'i (UH) serves a diverse student population across ten campuses, many of whom are part-time students, unemployed or underemployed, or individuals transitioning between insurance coverage. Findings from the UH Landscape Assessment of Student Basic Needs Insecurity published in 2025 demonstrate that health insecurity is closely intertwined with food and housing insecurity and is a significant barrier to student persistence, academic success, and timely degree completion. Students who experience lapses in health coverage are more likely to delay preventive care, forgo needed treatment, and disengage from their studies due to unanticipated and unmanaged physical or mental health concerns.

HB 1546 HD1 responds directly to these challenges by creating a targeted, time-limited pilot program that provides affordable, portable health coverage options for individuals who fall into coverage gaps as a result of recent Medicaid redeterminations and federal eligibility changes. Of particular importance to UH is the bill's recognition of post-secondary students as an eligible population, including community college and university students who meet certain qualifications.

The bill's emphasis on preventive services, telehealth, urgent care, and essential prescription coverage aligns with evidence-based approaches identified in the UH Landscape Assessment, which highlight the need for accessible, low-barrier health services to support student well-being and educational continuity. By reducing disruptions in care, the proposed pilot program has the potential to mitigate downstream academic and financial impacts on students and institutions alike.

UH offers its support for the goals and framework of this measure and remains committed to collaborating with the Department of Human Services and community partners to promote student awareness of available resources and support student success. Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

March 23, 2026

TO: The Honorable Senator Jarrett Keohokalole, Chair
Senate Committee on Commerce and Consumer Protection

FROM: Ryan I. Yamane, Director

SUBJECT: **HB 1546 HD1 – RELATING TO HEALTH INSURANCE.**

Hearing: March 24, 2026, Time 9:35 a.m.
Conference Room 229 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the measure and offers comments. DHS respectfully requests that this program and appropriation not conflict with, reduce, or replace priorities identified in the executive budget. Furthermore, DHS requests that any increases be appropriated through the executive budget, rather than through a bill so that the increases can be incorporated into and recur in the DHS base budget.

DHS appreciates that this bill seeks to develop additional health insurance options for Hawaii residents. The need for an alternate health insurance vehicle is driven by the expiration of the Enhanced Premium Tax Credits on the Federally Facilitated Marketplace (FFM), which has made insurance for the nearly 24,000 Hawaii residents far less affordable. In some cases, unaffordable, forcing a yet-to-be-determined number of residents to forego coverage and become uninsured in 2026.

The uninsured pool is almost certain to grow in 2027 as the provisions in the One Big Beautiful Bill Act, Public Law 119-21 (OBBBA), eliminate access to Medicaid coverage for certain

immigrants (effective 10/1/2027) and adults between 19-64 who do not meet the work and community engagement requirements (effective 1/1/2027).

While the DHS Med-QUEST Division (MQD) has already begun developing new system modifications, notices, communications, partnerships, and operational modifications to maximize continued coverage for eligible members, we estimate that between 19,000 – 38,000 currently enrolled adults could lose their Medicaid coverage beginning in 2027. Based on current MQD costs, covering the same number of people would cost approximately \$134,064,000 to \$268,128,000 per year with 100% state-only funding.

DHS defers to the Department of Commerce and Consumer Affairs (DCCA) on requirements for access to state-backed reinsurance or risk-stabilization support for the operator of the Pilot Program. DHS also seeks clarification from the Legislature regarding the issuance of premium coverage for silver-level plan enrollees and the annual subsidy for individuals with high-deductible health plans for the cost of preventive care.

DHS notes that MQD currently operates a premium assistance program in coordination with Hawaii issuers on the Federal Facilitated Marketplace (FFM) for a select set of immigrants who are ineligible for Medicaid coverage because they have not yet met the 5-years of lawful presence required by federal law, but whose income is at a Medicaid-eligible level. There is potential for DHS to leverage or expand this program to a broader group of enrollees on the FFM who select silver level plans and are awarded both Advance Premium Tax Credits (APTC) and Cost Share Reductions (CSR). To do so, MQD would need to establish new rules to define coverage groups and program eligibility. To accomplish this, additional funding would need to be appropriated.

DHS has no existing program that approximates the second option in this bill and would require time and appropriation in order to establish such a program.

Thank you for the opportunity to provide testimony on this measure.



OFFICE OF HAWAIIAN AFFAIRS

‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

TESTIMONY IN SUPPORT OF HOUSE BILL 1546 HD1

RELATING TO HEALTH INSURANCE

Ke Kōmike ‘Aha Kenekoa o ka ‘Oihana Kālepa a me ka Ho‘omalū Mea Kemu
(Senate Committee on Commerce and Consumer Protection)

Ke Kapitala ‘o Hawai‘i
(Hawai‘i State Capitol)

Malaki 24, 2026

9:35 AM

Lumi 229

Aloha e Chair Keohokolole, Vice Chair Fukunaga, and Members of the Senate Committee on Commerce and Consumer Protection:

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB1546 HD1**, which establishes a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to help individuals who lose Medicaid coverage and do not qualify for employer-sponsored insurance under the Hawai‘i Prepaid Health Care Act.

OHA supports this measure because continuity of health coverage is essential to Native Hawaiian well-being and to broader health equity across Hawai‘i. Gaps in insurance coverage often lead people to delay preventive care, skip medications, postpone treatment, and rely on more expensive emergency services after conditions have worsened. For low-income households already navigating Hawai‘i’s high cost of living, even a temporary loss of coverage can quickly become a serious barrier to care.

This issue is especially important for Native Hawaiians, who continue to face disproportionate burdens in chronic disease, economic hardship, and barriers to timely access to care. Those burdens are often compounded in rural and underserved areas where provider shortages, transportation barriers, and limited service availability make continuity of coverage even more important. When people lose Medicaid and have no affordable bridge to other coverage, the consequences can include untreated illness, worsening health outcomes, and greater strain on families and community health systems.

This bill takes a practical and multi-pronged approach to that problem. Residents who lose Medicaid will need different kinds of support, and this measure allows the State to respond accordingly. The bill also appropriately allows the Department to work with nonprofit insurers or community-based organizations, promote collaboration with federally qualified health centers and safety-net providers, pursue available federal waivers or matching opportunities, and issue portable subsidies or vouchers that follow the individual. These features strengthen flexibility, improve access, and help ensure the program can work in real-world conditions.

OHA also appreciates that this bill is designed to reduce coverage loss before it becomes a deeper public health and economic problem. Helping people maintain access to preventive and routine care is not only beneficial for the individual but also supports the overall stability of Hawai'i's health care system by reducing uncompensated care and avoidable crisis intervention. That is particularly important at a time when many residents may be at risk of losing existing coverage through no fault of their own.

For these reasons, the Office of Hawaiian Affairs respectfully urges this Committee to **PASS HB1546 HD1**. Mahalo nui for the opportunity to provide testimony on this important measure.



CATHOLIC CHARITIES HAWAI'I

SUPPORT FOR HB 1546 HD1: RELATING TO HEALTH INSURANCE

TO: Senate Committee on Commerce and Consumer Protection
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i
Hearing: Tuesday March 24, 2026; 9:35 AM; CR 229 or via Videoconference

Chair Keohokalole, Vice Chair Fukunaga, and Committee on Commerce and Consumer Protection:

I am Betty Lou Larson from Catholic Charities Hawai'i. Thank you for the opportunity to testify in **strong support of HB 1546 HD1**, which establishes a 3 year Health Coverage Continuity Pilot Program to assist Hawai'i residents who have lost Medicaid coverage and lack access to other health insurance options.

Catholic Charities Hawai'i is a tax-exempt, community-based organization that has served individuals and families across Hawai'i for more than 78 years, providing essential services to those experiencing poverty, housing instability, trauma, and crisis.

With federal cuts looming for Medicaid, we are now at a critical juncture. Hawai'i has always prioritized access to health care but **now it is estimated that the uninsured population in the State will at least double in the next 2-3 years if no action is taken!** Thousands of individuals—including kupuna, working families, and young adults—are at risk of falling through the cracks. Losing Medicaid coverage interrupts access to medications, preventive services, behavioral health care, and necessary treatment for chronic conditions. For many, there is no affordable pathway to secure replacement coverage. Many of the clients that we serve are at high risk with chronic conditions and immediate needs for stable healthcare services.

We deeply appreciate the Legislature's focus on this issue and how best to address this imminent threat to the health of thousands of our residents. According to the State of Hawai'i's Med-QUEST enrollment data, **approximately 429,451 residents are currently enrolled in Medicaid managed care programs.** Each disenrollment—whether due to paperwork issues, income changes, or eligibility changes—represents a real person who may suddenly face medical and financial hardship. These changes do not only affect the Medicare recipients. They also increase the financial strain on health care providers who might have to provide unpaid emergency services. This targeted pilot program would help minimize gaps in coverage and reduce costs associated with delayed or foregone care. [medquest.hawaii.gov]

This pilot program would provide a vital safety net for those losing Medicaid. Catholic Charities Hawai'i respectfully urges your Committee to pass this measure. If you have any questions, please contact our Legislative Liaison, Betty Lou Larson, at (808) 527-4813.



March 24, 2026

To: Chair Keohokalole, Vice Chair Fukunaga, and Members of the Senate Committee on Commerce and Consumer Protection (CPN)

From: Hawaii Association of Health Plans Public Policy Committee

Date/Location: Mar. 24, 2026; 9:35 a.m./Conference Room 229 & Videoconference

Re: Comments on HB 1546 HD1 – Relating to Health Insurance

The Hawaii Association of Health Plans (HAHP) respectfully offers comments on HB 1546 HD1. HAHP is a statewide partnership that unifies Hawaii's health plans to improve the health of Hawaii's communities together. A majority of Hawaii residents receive their health coverage through a plan associated with one of our organizations.

HAHP is grateful for the continued efforts of state lawmakers to safeguard Hawaii residents' access to health insurance coverage. Especially as forthcoming federal changes are expected to make it more difficult to maintain Medicaid eligibility. However, we're concerned that accurately identifying individuals who are losing Medicaid coverage may be difficult given the volume of redeterminations occurring. Additionally, since all ACA-compliant plans are required to cover federally approved preventive services at zero cost-share to the enrollee, as written, it's unclear how the \$1000 subsidy is intended to be used.

Thank you for the opportunity to share our **comments** on HB 1546 HD1.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members



Hawaii Medical Association

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SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Date: March 24, 2026
From: Hawaii Medical Association (HMA)
Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee
Christina Marzo MD and Robert Carlisle MD, Vice Chairs, HMA Public Policy Committee

RE HB1546HD1 RELATING TO HEALTH INSURANCE: DHS; DCCA; Health Coverage Continuity Pilot Program; Bronze Level; Catastrophic Plan; Subsidies; Waivers; Vouchers; Employer Contributions; Portability; Reports
Position: Support

This measure would establish a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options.

Continuous access to health care coverage is critical for early detection, disease management, preventive care, and maintaining overall population health. Gaps in coverage — particularly following Medicaid redetermination and eligibility changes — are linked with delayed care, increased uncompensated care costs, and poorer long-term health outcomes.

This program can support those losing Medicaid who have limited or no access to employer-sponsored or federal subsidized insurance including our native Hawaiian and Pacific Islander communities, kapuna, individuals with disabilities and residents of the neighbor islands where provider shortages are already limiting access. Allowing the Department of Human Services and Department of Commerce and Consumer Affairs to leverage partnerships with nonprofit insurers or community-based organizations to implement coverage continuity solutions is a thoughtful approach, and the focus on portable coverage may support the individual through periods of employment transition or intermittent coverage eligibility.

Like other states exploring coverage-continuity strategies, Hawaii must carefully manage administrative complexity, affordability alignment with federal subsidies, and beneficiary understanding. The risks are recognized nationally, and HMA defers to DHS and DCCA to explore solutions, so that there are clear eligibility criteria, time-limited pilot design, coordination with marketplace coverage, and robust reporting requirements. Importantly, the risks of inaction — coverage gaps, delayed care, and increased emergency utilization — are well documented and carry significant human and fiscal costs.

continued

2026 Hawaii Medical Association Public Policy Coordination Team

Elizabeth A Ignacio, MD, Chair • Robert Carlisle, MD, Vice Chair • Christina Marzo, MD, Vice Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

2026 Hawaii Medical Association Officers

Nadine Tenn-Salle, MD, President • Jerald Garcia, MD, President Elect • Elizabeth Ann Ignacio, MD, Immediate Past President
Laeton Pang, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

HMA supports this targeted proposal. By enabling more residents to maintain coverage during vulnerable transitions, this program can help reduce avoidable emergency care reliance, support preventive health utilization, and contribute to a more resilient and equitable health care system for all of Hawaii.

Thank you for allowing Hawaii Medical Association to testify in support of this measure.

REFERENCES

Nguyen NMP, Borah BJ, Barr M, Harris-Roxas B, Sharma A. Continuity of Primary Care and Preventable Hospitalization for Acute Conditions: A Machine Learning-Based Record Linkage Study. *Ann Fam Med*. 2025 Nov 24;23(6):515-523. doi: 10.1370/afm.240569. PMID: 41285609; PMCID: PMC12751318.

Musumeci, MaryBeth, et al. "Reducing Medicaid Churn: Policies to Promote Stable Health Coverage and Access to Care." *The Commonwealth Fund*, 11 June 2025, www.commonwealthfund.org/publications/issue-briefs/2025/jun/reducing-medicaid-churn-policies-promote-stable-health-coverage

McIntyre A, Sommers BD, Abouafia G, et al. Coverage and Access Changes During Medicaid Unwinding. *JAMA Health Forum*. 2024;5(6):e242193. doi:10.1001/jamahealthforum.2024.2193

2024 Hawaii Medical Association Officers

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2024 Hawaii Medical Association Public Policy Coordination Team

Beth England, MD, Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

TO: SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair, and
Members of the Committee

FROM: Terry George, CEO & President

RE: Testimony in Support for HB 1546 HD 1, Relating to Health Insurance

DATE: Tuesday, March 24, 2026 at 9:35 am

LOCATION: Hearing Room 229

The Hawai'i Community Foundation (HCF) **supports HB 1546 HD 1**, Relating to Health Insurance. HB 1546 HD 1 would create a 3-year Health Coverage Continuity Pilot Program to assist people who have lost, or will lose, their Medicaid coverage and lack other options for affordable health insurance.

Thousands of Hawai'i residents could be impacted by the federal changes to Medicaid eligibility, putting their access to health care at risk. According to the Kaiser Family Foundation, over 440,000 children and adults were receiving Medicaid coverage in Hawai'i in 2025.¹ HB 1546 HD 1 offers a way to help families, keiki, and kupuna to continue to access critical health care, especially those from disproportionately impacted communities.

HCF believes in a Hawai'i where health and wellness are accessible to all, which is why it is a priority under our CHANGE Framework and how HCF invests philanthropic funds. This bill will help strengthen the overall ecosystem of health in places where people live, connect, work, and play. **We respectfully urge the legislature to advance HB 1546 HD 1.**

¹ Kaiser Family Foundation – [2025 Hawai'i Medicaid Fact Sheet](#).



**Testimony to the Senate Committee on Commerce and Consumer Protection
Tuesday, March 24, 2026; 9:35 a.m.
State Capitol, Conference Room 229
Via Videoconference**

RE: HOUSE BILL NO. 1546, HOUSE BILL NO. 1, RELATING TO HEALTH INSURANCE.

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS THE INTENT** of House Bill No. 1546, House Draft 1, RELATING TO HEALTH INSURANCE.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This measure, as received by your Committee, would:

- (1) Establish a three-year Health Coverage Continuity Pilot Program (Program) within the Department of Human Services (DHS), in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage but qualify for federal advanced premium tax credits, the ability to enroll in Federally Facilitated Marketplace silver level plans, with assistance to cover the difference between the cost of the plans and what the individuals are able to afford; and
- (2) Authorize DHS to issue an annual State subsidy of up to \$1,000 for preventative care for individuals who have lost their Medicaid coverage, do not qualify for federal advanced premium tax credits, are not eligible for coverage under the Hawaii Prepaid Health Care Act, and have acquired a high-deductible health plan.

The bill would take effect upon approval and be repealed on July 1, 3000.

At the outset, we note that this bill is substantively similar to Senate Bill No. 2087, which is pending further action by the Senate Joint Commerce and Consumer Protection and Ways and Means.

I. The Problem

During the interim following the Adjournment Sine Die of the 2025 Regular Session, three events took place that have enormous ramifications on Hawaii's social safety net. These were: the enactment of House Resolution No. 1 (H.R. 1), the "One Big Beautiful Bill" Act, which was signed into law on July 4, 2026; the reversal of interpretation of "federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, or "PRWORA", by the United States Department of Health and Human Services; and the announcement that the Center for Medicare and Medicaid Services will share personal data of Medicaid enrollees to Immigration and Customs Enforcement officials.

In tandem, these three developments will fundamentally alter Hawaii's Medicaid Program by shifting current Medicaid recipients to the uninsured population. Among other things, H.R. 1 will:

- (1) Prohibit the use of federal matching funds for health care services to immigrants not lawfully present under federal law, effective October 1, 2026;
- (2) Establish work or volunteer requirements for all Medicaid recipients of at least 80 hours per month (or 20 hours per week), effective December 31, 2026; and
- (3) Require redeterminations for every Medicaid recipient every six-months, also effective December 31, 2026.

Currently, Hawaii's uninsured population is estimated to be 38,400 or 2.8% of the total population. Based on research provided by the Kaiser Family Foundation as well as our review of Medicaid enrollment historically in Hawaii, we believe the uninsured population will at least double within two to three years if nothing is done.

Without health insurance coverage, citizens will no longer be able to manage chronic disease such as diabetes, high blood pressure, and other maladies. When they become ill, they will not get treated until the situation becomes so bad that they will need to go to a provider for emergency treatment. By then, the illness has become much more severe and costly to remedy. Also, by law, the emergency provider will have to provide stabilizing treatment to the patient regardless of the patient's ability to pay. These costs will subsequently be borne by the provider, creating additional stress to the safety net that is already facing reduced funding and reimbursement.

In the worst-case scenario, hospitals and FQHCs will not be able to treat the increase in indigent patients. While federal law requires FQHCs to provide services to all patients who are not eligible for Medicaid or private insurance on a sliding fee scale based on their ability to pay, federal grant funding to offset these costs were not adjusted to address the increase that will occur. As such, should Hawaii experience the largest projected increase in uninsured (and assuming that the level of services currently provided remains the same), FQHCs will run out of funds within two to three months.

II. A Possible Solution

On December 19, 2025, the Senate Joint Committee on Health and Human Services and Consumer Protection was briefed by MedQUEST and the State Health Planning and Development Agency (SHPDA) on the impacts of these federal policy changes. During that briefing, SHPDA Administrator Jack Lewin stated that during the Waihee Administration, the Department of Health ran a very successful program that provided coverage for persons who could not obtain employer-sponsored health insurance under the Prepaid Health Care Act, but were not eligible for Medicaid because of income restrictions. This coverage offered a significantly reduced package of benefits (i.e., up to 6 doctor visits and some prescription drugs) and was provided by Medicaid managed care plans under an agreement with the State. According to Dr. Lewin, the State agreed to cover loss costs that go beyond a certain level. However, Lewin stated that loss costs never reached that point and that the expenditure of additional general funds were not necessary.

When the State established the MedQUEST Program, the "gap group" coverage was transferred from the Department of Health to the Department of Human Services. However, according to Meredith Nichols, acting MedQUEST Administrator, when the Center for Medicare and Medicaid Services reviewed the coverage for the "gap group", they disallowed MedQUEST from offering it citing the need for coverages offered under the State's Medicaid Program to meet certain baseline benefit standards.

Despite this, the Green Administration did not submit a bill as part of his Legislative Package that would reestablishment of the "gap group" coverage under the Department of Health. However, the Program offered under this bill would appear to reflect much of what the SHPDA Administrator described in his presentation.

III. High Stakes

The establishment of a high deductible or catastrophic health plan could result in unintended consequences. Hawaii is the only state that requires employers to offer health insurance to employees who work more than 20 hours per week. Hawaii is able to do this because the Prepaid Health Care Act is exempted from federal preemption under the Employee Retirement Income Security Act of 1974. Hawaii retains this exemption so long as the substantive terms of the Prepaid Health Care Act are not materially changed.

It will be vital that the provision of a high deductible or catastrophic health plan not be construed by federal regulators as materially altering the Prepaid Health Care Act. Conceivably, this could happen if the implementation of such a program shifts the manner in which the Prepaid Health Care Act is enforced. Should that happen, such action could invalidate the preemption exemption that is necessary for the Prepaid Health Care Act to operate.

In addition, H.R. 1, includes provisions that require any program intended to replicate Medicaid benefits to a prohibited population be solely general funded. Violations of this could lead to the loss of more federal funding and the imposition of penalties to Hawaii's Medicaid Program.

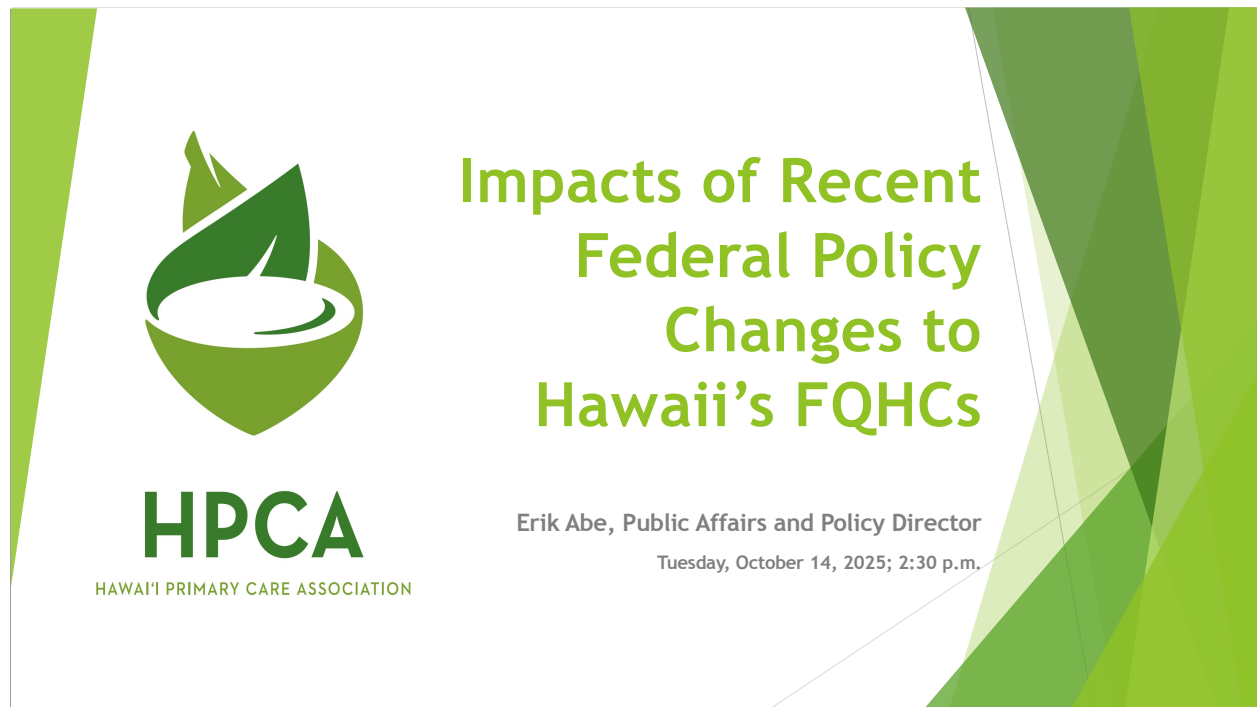
Because of this, it will be vital for the Program proposed under this bill to be coordinated jointly by the Departments of Labor and Industrial Relations (Prepaid Health), Health (SHPDA), and Human Services (Medicaid).

In light of this, the HPCA respectfully urges your favorable consideration of this bill to facilitate further discussion.

For your information and files, attached please find the slides from a presentation given to the Office of the Governor in October 2025.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.

attachment



Thank you for this opportunity to present HPCA's analysis of recent federal policy changes to Hawaii's FQHCs and our Medicaid System.

If I do this right, I should be able to get through this presentation in 15 minutes.



I. CHANGES TO FEDERAL LAW AND POLICY

Part I is entitled changes to federal law and policy.

Overview

- ▶ On July 4, 2025, President Trump signed H.R. 1, the “Big Beautiful Act” (OBBBA) into law. This new law fundamentally changes health care policy and reverses the direction the federal government had taken over the previous decade.
- ▶ On July 10, 2025, Health and Human Services (HHS) Secretary Robert Kennedy, Jr., published notice of the Department’s reversal of interpretation of the term “Federal public benefit” under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).
- ▶ On July 17, 2025, the Center for Medicare and Medicaid Services announced it will be providing Immigration and Customs Enforcement officials access to the personal data of 79 million Medicaid enrollees to help them track down immigrants who may not be living legally in the country.
- ▶ In tandem, these three developments will have enormous impacts on Hawaii’s Medicaid Program and federally qualified health centers.

There were three events that took place that change things -- the enactment of the "Big Beautiful Act"; the reversal of interpretation of "federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, or "PRWORA"; and the announcement that the Center for Medicare and Medicaid Services will share personal data of Medicaid enrollees to Immigration and Customs Enforcement Officials.

In tandem, these three developments have enormous impact on Hawaii's Medicaid Program and federally qualified health centers.

§71109 (OBBBA) and Medicaid Enrollment

- ▶ **Prohibition for Undocumented Immigrants:** §71109 [p. 590] - Prohibits federal match for services to immigrants not lawfully present under federal law.
- ▶ The FMAP for this cohort is currently 90%
- ▶ Of Hawaii's 405,742 Medicaid enrollees (as of March 4, 2025), approximately 100,000 are immigrants, of which 35,000 are undocumented (according to the Kaiser Family Foundation).
- ▶ When this provision takes effect on October 1, 2026, these 35,000 undocumented immigrants will be categorically disenrolled from Medicaid.
- ▶ Hawaii's uninsured population is estimated at 38,400 or 2.8% of the total population.
- ▶ On October 1, 2026, Hawaii's uninsured population will effectively DOUBLE overnight.

Prior to the enactment of the Big Beautiful Act, the federal government paid 90% of the costs incurred by immigrant Medicaid enrollees. However, Section 71109 of the Big Beautiful Act creates a categorical exclusion for service providers to receive federal reimbursement for undocumented immigrants.

According to the Kaiser Family Foundation, of the 400,000 Medicaid enrollees in Hawaii, one-fourth or 100,000 are believed to be immigrants, of which 35,000 are thought to be undocumented. When this provision takes effect on October 1, 2026, these 35,000 undocumented immigrants will be shifted from Medicaid enrollees to the uninsured.

Currently, the uninsured rate is 2.8 percent of the population or approximately 38,400. On October 1, 2026, this rate will effectively DOUBLE overnight.

PRWORA Baseline Clarification and OBBBA Enforcement

- ▶ According to MedQUEST, undocumented immigrants are already prohibited from receiving Medicaid benefits under PRWORA.
- ▶ Less than 3,000 current Medicaid enrollees are identified as undocumented enrollees.
- ▶ States may have enrolled individuals whose status was unresolved or whose documentation was incomplete, particularly in the context of continuous eligibility policies during the public health emergency and difficulties with redeterminations.
- ▶ PRWORA creates eligibility limitations, but OBBBA creates federal financial participation limitations.
- ▶ Even if someone is ineligible under PRWORA, enforcement of the reimbursement prohibition under OBBBA may still represent a material fiscal change for the State and FQHCs.
- ▶ Even if a state were to enroll undocumented immigrants using state-only funds, federal Medicaid matching is now barred for undocumented immigrants.

When we shared this information with our partner safety net organizations, MedQUEST responded that currently, less than 3,000 were logged in their system as "undocumented enrollees". We believe there are many more immigrants who are receiving benefits because while PRWORA establishes eligibility limitations at the time of application, these limitations do not preclude the states from paying for these benefits through general funds, as is the case with California, and Illinois, most notably. Because of this, we believe there are many more undocumented immigrants already enrolled in Medicaid.

The Big Beautiful Act changes things by establishing a federal reimbursement prohibition and enforcement mechanisms that will place greater responsibility on the States and providers to verify the eligibility of all Medicaid recipients.

§71107 (OBBBA) and 6-Month Redeterminations

- ▶ During the post-COVID unwind, states saw steep drops in the first 6-12 months, but then enrollment flattened as they reached stable caseload.
- ▶ Based on Hawaii's variance reports, after initial 5-6% drop, later cycles showed closer to 2-3% attrition, pointing toward equilibrium effect already starting.
- ▶ Nationally, pre-COVID Medicaid programs averaged annual churn of 10-12%.
- ▶ Initial 6-12 months (mid-2025 to mid 2026) steeper disenrollment, about 5-6% per cycle at first. This reflects clearing the backlog of people who lost eligibility during the PHE or didn't complete paperwork.
- ▶ Following 12-18 months (late 2026 through 2027) attrition slows to 2-3% per cycle as the remaining population stabilizes. This is the diminishing returns phase.
- ▶ Equilibrium by 24-30 months (late 2027 into early 2028), enrollment should level out. At this point, churn reflects only normal eligibility turnover rather than systemic procedural disenrollment.
- ▶ Over a three-year period, between 30,000 to 40,000 enrollees will be disenrolled.

The Big Beautiful Act also shortens the redetermination period for Medicaid enrollees from annually to every six months. Based on the Hawaii experience after the COVID flexibilities were removed prior to President Trump taking office, we believe that Hawaii will see a similar sharp decline in enrollment in the first twelve months and then a flattening over the following 24 months to an equilibrium point of 2-3% attrition every redetermination cycle.

Over the next three years, we believe between 30,000 and 40,000 Medicaid enrollees will be disenrolled.

§71119 (OBBBA) and Work Requirements

- ▶ Effective October 1, 2025, unless delayed by waiver (Hawaii may seek a 2-year delay to October 2027), Medicaid enrollees must document 80-hours/month of employment or volunteering.
- ▶ National research shows work requirements will cause 5-10% disenrollment, mostly from procedural burdens rather than actual non-compliance.
- ▶ If applied to Hawaii, that might translate to 20,000-30,000 enrollees at risk
- ▶ If Hawaii wins a delay, this effect won't hit until FY 2028, after the immigrant disenrollment.

The Big Beautiful Act also establishes a requirement that all enrollees must work or volunteer at least 80 hours per month to remain eligible for Medicaid. National research indicates that work requirements will cause between 5 to 10% disenrollment, mostly from procedural burdens rather than actual non-compliance.

If applied to Hawaii, that might translate to 20,000 to 30,000 enrollees at-risk.

Hawaii might be able to delay this by two years if MedQUEST is successful in obtaining a two-year waiver from HHS.

OBBBA Impact on Hawaii's Medicaid Population

- ▶ Starting with Baseline (405,000 enrollees, March 2025)
- ▶ Apply Redetermination Churn (minus 30,000 to 40,000 enrollees)
- ▶ Apply Undocumented Immigrant Disenrollment (but recognizing some may already fall off via churn) (minus 20,000 to 25,000 enrollees)
- ▶ Apply Work Requirements (but recognizing overlap with prior churn) (minus 15,000 to 20,000 enrollees)
- ▶ TOTAL DISENROLLMENT-- 65,000 to 85,000 enrollees over the next three years
- ▶ The Average Hawaii Medicaid expenditures per actual enrollee is \$6,762.47, based on a survey of variance reports published by the Hawaii State Department of Budget and Finance over the past decade.
- ▶ GENERAL FUND IMPACT -- \$439.5 to \$574.8 MILLION over the next three years

When you look at the entire picture taking into account duplication from persons who might be disenrolled for more than one reason, the HPCA used various models to get an idea of the scale of the impacts. A lot of assumptions were made in analyzing the worst-case scenario to get an idea of the fiscal impact.

We believe that between 65,000 to 85,000 enrollees will be disenrolled over the next three years if Hawaii is not able to obtain a two-year waiver for work requirements. If we get the waiver, this might be stretched over five years.

We looked at the total expenditures from HMS401, Hawaii's Medicaid Program, over the past 10 fiscal years as reported in the variance reports. Using the number of enrollees listed in those reports, we found the average expenditure per enrollee to be \$6,762.47. Applying that average to the projected number of persons disenrolled, we believe the fiscal impact to be between \$439.5 to \$574.8 million over the next three to five years.



II. IMPACTS ON HAWAII'S FQHCS

Keeping all of this in mind, I'd like to now share how we think this will impact FQHCs and the Social Safety Net.

Main Points

- ▶ Medicaid and most HHS funds can no longer be used for care to undocumented immigrants, except for emergency care, immunizations, and communicable disease services.
- ▶ FQHCs must still serve all patients regardless of immigration status, per Section 330.
- ▶ Federal funding (Medicaid, possibly 330) restricted for primary care to undocumented patients.
- ▶ Result - Cost shift to state/local governments, FQHC sliding fee programs, and private donations.
- ▶ Urgent need for state funding and policy action to preserve access and mitigate impact to safety net.

In a nutshell, Medicaid and most HHS funds cannot be used for undocumented immigrants. Yet, FQHCs must still serve all patients regardless of immigration status. This will result in a cost shift to state and local governments, our sliding fee program, and donations. Because of this, there is a need for new funding mechanisms and policy action to protect and preserve the safety net.

During our preliminary research, if FQHCs continue to provide the same level of services to undocumented immigrants without Medicaid reimbursement, FQHCs would have to rely on our 330 grant funds to cover this shortfall. Based on current grant funds available, those funds will be exhausted within two to three months.

Liability Exposure if FQHCs PROVIDE Services

- ▶ **Federal Liability** -- Providing services to undocumented immigrants in federally funded facilities could constitute unlawful provision of federal public benefits. This exposes FQHCs to potential loss of \$330 grant funding and possible False Claims Act (31 U.S.C. §§3729-3733) liability if reimbursement is sought.
- ▶ **State Liability** - Hawaii's Medicaid Program (Med-QUEST) could face FMAP penalties for violations of PRWORA or the Big Beautiful Act. FQHCs may also face state-level audits regarding misuse of blended funding streams.

FQHCs are in a no-win situation. If an FQHCs PROVIDES service to an undocumented immigrant at their respective campuses, that FQHC could be subject to federal liability for the unlawful provision of federal public benefits, and be exposed to the potential loss of \$330 grant funding and possible False Claims Act liability if reimbursement is sought.

MedQUEST could face FMAP penalties for violations of PRWORA and the Big Beautiful Act, and the FQHC might also face state-level audits regarding misuse of blended funding streams.

Liability Exposure if FQHCs DENY Services

- ▶ **Federal Law** - The Emergency Medical Treatment and Active Labor Act (EMTALA -- 42 U.S.C. § 1395dd) obligates hospitals with emergency departments to provide emergency stabilization regardless of immigration status. While EMTALA does not apply directly to FQHCs, denial of emergency care may conflict with PRWORA's emergency exception. **[NOTE:** Both Waianae Coast Comprehensive Health Center and Hana Health operate 24-hour urgent/emergent care at their campuses.]
- ▶ **Civil Rights and Discrimination** -- Denying care based solely on immigration status may trigger claims under Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d), which prohibits national origin discrimination in federally funded programs. Courts have recognized that immigration status may intersect with national origin. In addition, Section 1557 of the Affordable Care Act (42 U.S.C. § 18116) similarly prohibits discrimination in federally funded health programs. FQHCs risk HHS Office for Civil Rights enforcement and civil litigation.
- ▶ **Hawaii State Law** -- Hawaii Constitution, Article I, § 5, guarantees equal protection and due process. Courts in Hawaii have interpreted these protections broadly. Denial of care could be challenged as unconstitutional discrimination. Additionally, FQHCs may face state tort claims for negligence or medical malpractice if denial of care leads to harm, as well as violations of public accommodation statutes.

If FQHCs DENY services to undocumented immigrants, denial might violate the Emergency Medical Treatment and Active Labor Act, or EMTALA, which requires emergency stabilization regardless of immigration status. While this law applies directly to hospitals with emergency departments, both Waianae Coast Comprehensive Health Center and Hana Health provide 24-hour urgent/emergent care at their campuses.

Denial of service based solely on immigration status may trigger claims under Title VI of the Civil Rights Act of 1964, which prohibits national origin discrimination in federally funded programs. Denial might also violate provisions of the Affordable Care Act, which prohibits discrimination in health programs.

Denial of service could trigger state action if the denial is construed as unconstitutional discrimination. Further, the FQHC could be in violation of Hawaii's public accommodations statutes.

Possible Best and Worst Case Scenarios

- ▶ **BEST CASE** - HHS allows Hawaii FQHCs to service undocumented immigrants at their facilities but without any Medicaid funds for reimbursement. This would allow FQHCs to continue to serve in the safety net in rural and underprivileged communities with reimbursements paid by non-federal funds.
- ▶ **WORST CASE** - HHS prohibits Hawaii FQHCs from servicing undocumented immigrants and further does not waive PRWORA requirements for FQHCs providing emergency services. **Hawaii's FQHCs would either need to stop providing 24-hour urgent/emergent care or discontinue serving as an FQHC.**
- ▶ Under the **WORST CASE** scenario, FQHCs will see an immediate and sharp decline in usage from immigrants (1/4 of Medicaid enrollment) due to lack of trust within each FQHCs' respective communities until such time as a final determination is made by HHS. . .
- ▶ **. . . and at that point, the uninsured population would need to be addressed by the State solely through a general-funded program without participation from FQHCs.**

Based on the information available, best-case and worst-case scenarios could be imagined. In the best-case scenario, HHS allows FQHCs to provide services to immigrants but not allow federal funds for reimbursement. Under this scenario, FQHCs would remain in the safety net, but would need to find non-federal funds to provide services to this cohort.

Under the worst-case scenario, HHS prohibits FQHCs from even using their facilities to provide services to undocumented immigrants. This scenario would effectively dislodge FQHCs from the safety net and leave it to the State to determine how the health care needs of this population will be served.

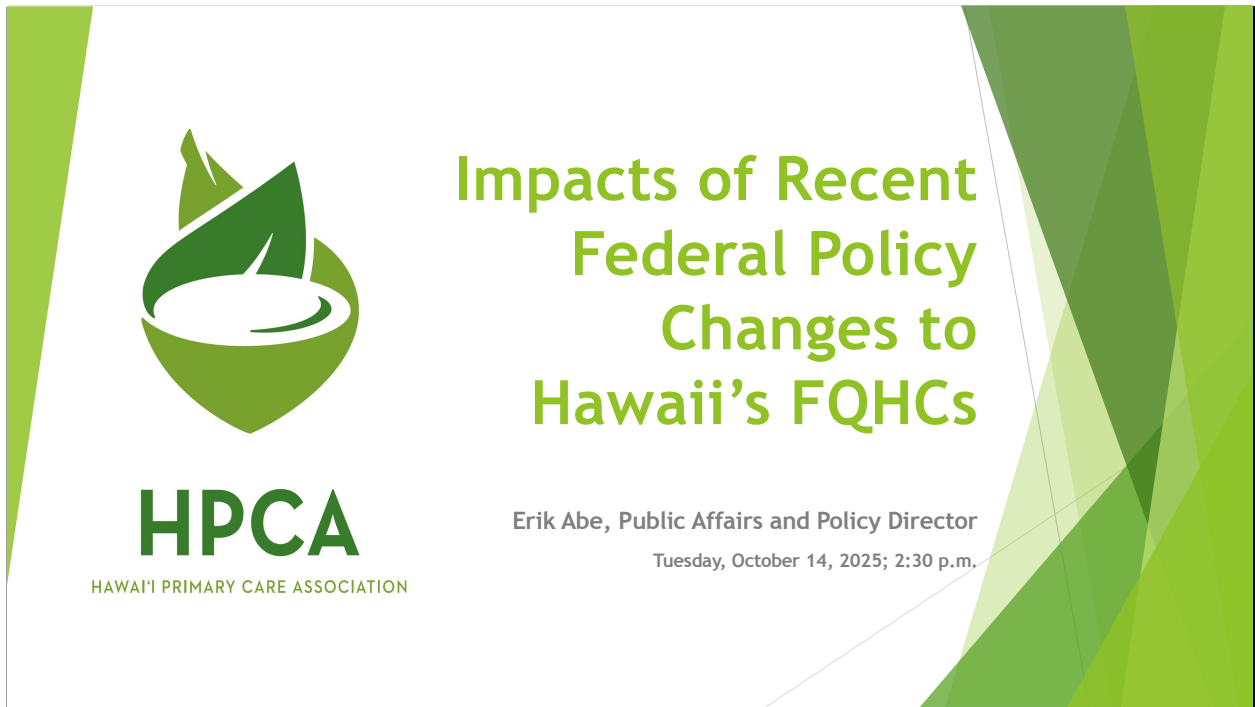
Additional Logistical Concerns

- ▶ FQHCs cannot operationalize the Medicaid prohibition on undocumented immigrants without real-time, legally-authorized method to determine a patient's arrest and court record status.
- ▶ FQHCs are not authorized under federal law to query DHS or DOJ databases to determine a patient's arrest history, court orders, or immigration status.
- ▶ If an FQHC bills Medicaid for a service later determined to be provided to an undocumented immigrant, it may be seen as a false claim under federal law (31 U.S.C. §3729 et seq).
- ▶ There is no federal system currently available to FQHCs to verify immigration status at the point of service, nor any integration with court or DHS arrest/release databases.
- ▶ Regarding work requirements, because Hawaii's unemployment rate for August 2025 is 2.7%, are there sufficient part-time job opportunities for 15,000 to 20,000 disenrolled Medicaid enrollees over the next three years?
- ▶ Are health care and social safety net organizations able to absorb those disenrolled citizens as volunteers?

Lastly, FQHCs will need to be able to determine a patient's Medicaid eligibility before services can be provided. Because a person's immigration status can change from the time documentation is verified at application, without the means of determining eligibility before service is provided, there would be no way for the FQHC to ensure that a subsequent request for reimbursement is legitimate. It should be noted that a person's immigrant status can change based on a person's arrest and court record status prior to conviction. Currently as a public accommodation, FQHCs are prohibited from denying medical services to a person based on their arrest and court record status under State Law.

Also, given Hawaii's low unemployment rate, are there sufficient job opportunities available in rural, isolated communities to keep Hawaii's unemployed Medicaid enrollees with coverage?

The HPCA has had preliminary discussions with various nonprofit organizations to determine their capacity to recruit and engage volunteers in rural communities. Because many of these organizations have focused their grassroots activities in urban areas, it will likely take time for nonprofits to establish sufficient volunteer opportunities for Medicaid enrollees unable to gain part-time employment.



This concludes the presentation. I'd be happy to answer any questions.



LATE

**Senate Committee on Commerce and Consumer Protection
March 24, 2026 at 9:35 AM
Room 229**

Testimony in SUPPORT for HB1546 HD1

Aloha Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee:

On behalf of the Hawaii Alliance of Nonprofit Organizations, I would like to offer our comments in **support of HB1546 HD1**, which would establish a three-year Health Coverage Continuity Pilot Program, to assist individuals who have lost Medicaid coverage and lack access to other affordable health insurance options.

The Hawaii Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits that works to strengthen and unite the nonprofit sector as a collective force to improve the quality of life in Hawaii. Since 2006, HANO has been a leading voice for the nonprofit sector, leveraging resources, educating and advocating for policies and practices that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

HB1546 recognizes the challenges many Hawaii residents will face as a result of federal changes to Medicaid eligibility and redetermination processes, and it offers an innovative approach to helping individuals maintain continuity of care while improving health outcomes for populations that may otherwise fall into coverage gaps. By authorizing the Department to contract with a nonprofit health insurer or community-based organization to operate the pilot program, the bill encourages collaboration and appropriately leverages trusted community-based networks that already serve residents in need.

HANO respectfully supports HB1546 and urges the Legislature to advance this measure with thoughtful consideration of equity, partnership, and sustainability in expanding access to affordable health coverage in Hawaii.

Mahalo for the opportunity to submit testimony.

HB-1546-HD-1

Submitted on: 3/23/2026 2:38:43 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Tara Salima	Individual	Support	Remotely Via Zoom

Comments:

To: Honorable Senator Jarrett Keohokalole, Chair

Honorable Senator Carol Fukunaga, Vice Chair

Members, Committee on Commerce and Consumer Protection

From: Tara Salima

Re: HB1546

Date: Tuesday; March 24, 2026

9:35am Conference Room 229

Aloha, my name is Tara Salima and I am writing this testimony to the Committee on Commerce and Consumer Protection as a Master’s of Social Work student with the University of Hawaii’s Myron Thompson School of Social Work.

I am writing in **support** to HB1546.

Overall, this bill will not only help many residents and immigrants to be able to afford basic insurance after losing Medicaid coverage by providing subsidies, vouchers, and low-cost insurance options, but it will help financially struggling college students as well.

The language stated in Section 1 states that HB1546’s three-year pilot program will target individuals who have lost Medicaid coverage and do not qualify for coverage under the Hawai’i prepaid health care act, including, but not limited to “community college or university students without other health insurance coverage”.

Although it is unclear whether unpaid internships count as “community service” or “other eligibility activities”, speaking as a Master’s of Social Work student, it is already financially stressful to keep up with working 16-20 hours of unpaid internship, along with working another

20-24 hours at a paid job to have at least some sort of paycheck and spending another 6-10 hours on school work all at the same time.

HB1546 will:

1. Provide college students some financial relief by helping with basic health coverage if they do not have the financial means for additional health coverage and are no longer eligible for Medicaid.
2. Also greatly help individuals who lose Medicaid due to the complicated application process, not having access to documentation at the six-month re-evaluation period, or losing eligibility due to having to adhere the new community engagement requirements of “eighty hours a month of work, community service, or other eligibility activities”.

Thank you for your consideration and the opportunity to submit this testimony, and I ask the legislature to support the passing of HB1546.

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair

Senator Carol Fukunaga, Vice Chair

HEARING:

Tuesday, March 24, 2026 at 9:35 am

Conference Room 229 & Videoconference

TESTIMONY IN SUPPORT OF HB 1546, HD1 - RELATING TO HEALTH INSURANCE.

Aloha Chair Keohokalole, Vice Chair Fukunaga, Senator McKelvey of Maui, and Members of the Committee,

My name is Christine Andrews and I am a long-term resident of Wailuku, Maui. I write to you today in **strong support of HB 1546, HD1**, Relating to Health Insurance. House Bill 1546, HD1 establishes a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options.

The federal Medicaid program provides health care coverage to just over 400,000 Hawai'i residents with low incomes and limited resources. The One Big Beautiful Bill Act, which became law on July 4, 2025, aims to reduce federal Medicaid spending by \$1 trillion over a decade. Federal funds make up about three quarters of the \$3 billion Hawai'i spends on Medicaid each year.¹ The changes of the Act are what HB 1546, HD1 is designed, in part, to mitigate. A July 15, 2025, Civil Beat article quoted Emmanuel Kintu, CEO and executive director of Kalihi-Pālana Health Center, who indicated that, "Maybe 40,000 to 60,000 people will lose their Medicaid in Hawai'i." Another expert, Ruben Juarez, a University of Hawai'i health economics professor, was quoted as saying, "This is a major crisis in the making. Probably the top priority for the state to address after the Maui wildfires...This is among the largest single reductions in federal health support the state has ever faced." Civil Beat noted that an analysis by the health policy research organization KFF concluded the Act's provisions would slash Hawai'i's federal Medicaid funding by up to \$5 billion over a decade.

This is the crisis of health care coverage for our most vulnerable Medicaid recipients that this bill is intended to address. Ensuring health care coverage is known to reduce costs in the long-run, helping people get treated for preventative or chronic health care issues by the primary care system, before the issues worsen and treatment is sought at most-costly and overly burdened hospitals. I ask for your **support of HB 1546, HD1** as a cost-effective mechanism to try to ensure that Hawai'i communities have access to the health care they need.

Mahalo nui for acting today to protect the wellbeing of our low-income neighbors,

Christine L. Andrews, J.D.

Wailuku, Maui

¹ Honolulu Civil Beat, "Hawai'i Braces for Cuts that Could Strip Medicaid from Tens of Thousands", July 15, 2025.

HB-1546-HD-1

Submitted on: 3/21/2026 8:11:04 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
James E Raymond	Individual	Support	Written Testimony Only

Comments:

Thank you. I am a member of Indivisible Windward.

HB-1546-HD-1

Submitted on: 3/21/2026 9:28:34 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Jane Aquino	Individual	Support	Written Testimony Only

Comments:

To: COMMITTEE ON CONSUMER PROTECTION &
COMMERCE

February 18, 2026 at 2 PM

Hearing Date/Time: Wednesday,

Place: Hawaii State Capitol, Room
329

SUPPORT of HB 1546 HD1

Re: Testimony in

Dear Rep. Scot Z. Matayoshi, Chair, Rep. Tina Nakada Grandinetti, Vice Chair, and Members of Committee,

Members of Indivisible Hawai'i thank you for this opportunity to testify in strong support of HB 1546 HD1.

This bill, introduced at the request of a Kona physician, is intended to address the expected surge in the number of uninsured Hawaii residents with the expiration of ACA subsidies and changes in federal law and rules for Medicaid eligibility.

Medicaid and the ACA are good for everyone in Hawai'i. We are one small state system, one 'ohana, one risk pool, and the more residents who have decent health insurance coverage, the more health care costs remain lower for all of us. The reverse is also true. A higher # of uninsured in Hawai'i = a jump in premiums paid by all, incl. by public and private employers.

Thank you, Jane Aquino Indivisible

HB-1546-HD-1

Submitted on: 3/21/2026 9:30:34 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Martha Nakajima	Individual	Support	Written Testimony Only

Comments:

I support this bill. Thank you. Martha Nakajima, Honolulu, member of Indivisible

HB-1546-HD-1

Submitted on: 3/21/2026 9:51:17 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, COMMENT

IRAN WAR COSTING TAXPAYERS 1BILLION \$ A DAY!!

AS SUCH LEGISLATURES MUST BE FISCAL RESPONSIBLE THIS SESSION TO MEASURES SEEKING APPROPRIATES FUNDS/BENEFITS.

1546 HB RELATING TO HEALTH INSURANCE.

HB-1546-HD-1

Submitted on: 3/21/2026 9:59:52 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Ron Brown	Individual	Support	Written Testimony Only

Comments:

Please support this compassionate and sensible measure to respond in part to the Trump administrations assault on the social safety net in Hawai'i.

thank you for your consideration

HB-1546-HD-1

Submitted on: 3/21/2026 12:21:26 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Tim Huycke	Individual	Support	Written Testimony Only

Comments:

I support HB1546.

HB-1546-HD-1

Submitted on: 3/21/2026 1:47:14 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Larry Smith	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please provide funding to replace Fed Cuts.

Larry Smith

Indivisible

HD 27

808 286 2958

HB-1546-HD-1

Submitted on: 3/21/2026 1:00:49 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessie L Gonsalves	Individual	Support	Written Testimony Only

Comments:

Support medicaid/ACA SUBSIDIES

HB-1546-HD-1

Submitted on: 3/21/2026 2:49:59 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Brodie Lockard	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-1546-HD-1

Submitted on: 3/21/2026 8:37:37 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Lily Troy MD	Individual	Support	Written Testimony Only

Comments:

I SUPPORT HB1546

HB-1546-HD-1

Submitted on: 3/21/2026 11:03:07 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Cory Harden	Individual	Support	Written Testimony Only

Comments:

member, Indivisible

HB-1546-HD-1

Submitted on: 3/22/2026 4:21:10 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Younghee Overly	Individual	Support	Written Testimony Only

Comments:

Thank you for this opportunity to support HB1546 HD1 which would establish a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options. Medicaid and ACA are good for everyone in Hawaii.

Younghee Overly, a member of Indivisible Hawaii

HB-1546-HD-1

Submitted on: 3/22/2026 10:28:27 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Gail Morrison	Individual	Support	Written Testimony Only

Comments:

Dear Rep. Scot Z. Matayoshi, Chair, Rep. Tina Nakada Grandinetti, Vice Chair, and Members of Committee,

Members of Indivisible Hawai‘i thank you for this opportunity to testify in strong support of HB 1546 HD1.

This bill is an investment to prevent state health care costs from skyrocketing. It would establish a three-year Health Coverage Continuity Pilot Program to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options. The program would provide two options for individuals in the State who lose their Medicaid insurance coverage and do not qualify for employer-sponsored insurance under the Hawaii Prepaid Health Care Act (1) The option to enroll in federally facilitated marketplace silver level plans for persons who qualify for federal advanced premium tax credits; and (2) An annual subsidy for persons who do not qualify for federal advanced premium tax credits and have acquired a high-deductible health plan to be used to cover the cost of preventive care.

I strongly support this bill.

Sincerely, Gail Morrison, Honolulu

HB-1546-HD-1

Submitted on: 3/22/2026 1:43:09 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Calvin Black	Individual	Support	Written Testimony Only

Comments:

I am a member of Indivisible. Thank you for supporting this bill.

HB-1546-HD-1

Submitted on: 3/22/2026 2:21:17 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Sharon Emery	Individual	Support	Written Testimony Only

Comments:

Healthcare in our country is unaffordable. But healthcare should be a right. We are behind many countries on this and with the current administrtaion, it's gotten far worse.

I strongly support this bill to help keep the people in Hawaii healthy.

HB-1546-HD-1

Submitted on: 3/22/2026 4:01:36 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am writing in support of HB1546. I believe that this health coverage program is vitally needed at this time to enhance the well-being of our 'ohana here in Hawai'i. Mahalo for this bill and for taking the time to take my views into consideration.

Eileen Cain
720 Mahi'ai St., Apt. E
Honolulu, Hawai'i 96826-5635
eileencaïn808@gmail.com
March 22, 2026

Senator Jarrett Keohokalole, Chair, Committee on Commerce and Consumer Protection
Senator Carol Fukunaga, Vice Chair
and Members of the Committee on Commerce and Consumer Protection

I am submitting this testimony in Favor of HB1546, HD1, "Relating to Health Insurance"

I urge you to vote for this bill so that Hawai'i residents will not need to go without health care coverage.

Since laws have been changing at the federal level, there is a danger that some who need Medicaid will lose their benefits. Others who have fared well under the Affordable Care Act may also suffer the loss of coverage. If health insurance is lost, health and well-being will also suffer.

Uninsured people put a strain on the health care system.

On the other hand, the more people who have health care coverage, the better off we all are.

The three-year Health Coverage Continuity Pilot Program proposed in this bill will benefit all employers, employees, and people who are not able to work.

Please vote yes on HB1546, HD1.

Mahalo,

Eileen Cain
Mō'ili'ili, Honolulu, Hawai'i

HB-1546-HD-1

Submitted on: 3/23/2026 8:07:54 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Justice, M.D.	Individual	Support	Written Testimony Only

Comments:

Aloha Senator Jarrett Keohokalole, Chair; Senator Carol Fukunaga, Vice Chair; and Members of the Committee on Commerce and Consumer Protection,

RE: HB1546 HD1

I am a retired physician, a resident of Kapolei, a member of the Indivisible Hawaii Statewide Network, and a member of the Indivisible Hawai'i Healthcare Team

I am writing to provide testimony in strong support of HB1546 HD1. This bill, introduced at the request of a Kona physician, is intended to address the expected surge in the number of uninsured Hawaii residents with the expiration of ACA subsidies and changes in federal law and rules for Medicaid eligibility.

Medicaid and the ACA are good for everyone in Hawai'i. We are one small state system, one 'ohana, one risk pool, and the more residents who have decent health insurance coverage, the more health care costs remain lower for all of us. The reverse is also true. A higher number of uninsured in Hawai'i will result in an increase in healthcare insurance premiums paid by all, including by public and private employers.

This bill is an investment to prevent state health care costs from skyrocketing. It would establish a three-year Health Coverage Continuity Pilot Program to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options. The program would provide two options for individuals in the State who lose their Medicaid insurance coverage and do not qualify for employer-sponsored insurance under the Hawaii Prepaid Health Care Act: (1) The option to enroll in federally facilitated marketplace silver level plans for persons who qualify for federal advanced premium tax credits; and (2) An annual subsidy for persons who do not qualify for federal advanced premium tax credits and have acquired a high-deductible health plan to be used to cover the cost of preventive care. As a member of the Indivisible Hawai'i Healthcare Team, I join in their strong support for this bill.

Respectfully,

Robert L. Justice, M.D.

HB-1546-HD-1

Submitted on: 3/23/2026 8:14:56 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Kehaulani Coleman	Individual	Support	Written Testimony Only

Comments:

Thank you

LATE

HB-1546-HD-1

Submitted on: 3/23/2026 10:20:30 AM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Candice Lanette	Individual	Support	Written Testimony Only

Comments:

I support this. I need this support to afford ACA. I am a member of Indivisible Hawaii. Mahalo.

LATE

HB-1546-HD-1

Submitted on: 3/23/2026 9:36:43 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Jesse Hutchison	Individual	Support	Written Testimony Only

Comments:

Thank you!