



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

H.B. NO. 1854, H.D. 1, S.D. 1, RELATING TO COMMUNITY BEHAVIORAL HEALTH CLINICS.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Monday, April 6, 2026

TIME: 10:32 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**

(For more information, contact Michelle L. Agsalda,
Deputy Attorney General, at (808) 587-3050)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill adds a new chapter to the Hawaii Revised Statutes (HRS), that establishes a state certification and oversight structure for certified community behavioral health clinics. The bill creates a Community Behavioral Health Clinics Certifying Office (Office) within the Department of Health, establishes a Certified Community Behavioral Health Clinics Oversight Board, and amends the composition of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances and the State Council on Mental Health to include a member from the Office.

Section -4(c)(2) of the proposed chapter authorizes the oversight board to decertify a certified community behavioral health clinic if the clinic has not completed required corrective action (page 7, lines 4-7). However, the bill does not specify the procedures governing decertification, including whether notice, an opportunity to be heard, or an administrative appeal would be provided. Because decertification may affect a clinic's ability to receive payment under the prospective payment system established by the bill, we recommend clarifying the procedures applicable to decertification decisions to ensure adequate procedural protections. The Department also recommends assigning decertification authority to the Office, rather than the

oversight board, because the Office administers the certification program and is better positioned to make consistent, rule-based determinations.

To address these issues, we recommend amending section -3(c)(1)(C), on page 4, lines 4-7, and adding a new subparagraph (D), as follows:

- (C) Certifying and decertifying community behavioral health clinics~~[, monitoring and, when necessary, providing corrective action to certified community behavioral health clinics];~~
- (D) Monitoring compliance with certification requirements and requiring corrective action, including corrective action plans, and when necessary, the imposition of conditions, suspension, or decertification;

(The remaining subparagraphs should be redesignated accordingly.)

Based on the above amendments, we further recommend deleting section -4(c)(2), on page 7, lines 4-7, and renumbering the remaining paragraphs (3) through (6).

In addition, the Department recommends adding a new section to establish clear procedures for decertification, as follows:

§ -6 Decertification; procedures. (a) The office shall establish, by rules adopted pursuant to chapter 91, procedures governing the decertification of certified community behavioral health clinics. The rules shall include, at a minimum:

- (1) Provision of notice to a certified community behavioral health clinic of any proposed decertification, including the reasons for the proposed action;
- (2) An opportunity for the certified community health clinic to respond to the proposed decertification, which may include submission of a corrective action plan;
- (3) An opportunity for a hearing in accordance with chapter 91 after a final determination on decertification;
- (4) Procedures for the issuance of a final determination and order by the office.

(b) The office may establish additional requirements, time periods, and procedures as necessary to implement this section.

The Department also recommends adding a new section to clarify the State's role and limit potential liability, as follows:

§ -7 Limitation of liability. (a) Certification of a community behavioral health clinic pursuant to this chapter indicates that the clinic has met applicable certification requirements at the time of review and shall not be construed as an assurance of ongoing compliance or of the outcomes of services provided.

(b) Each certified community behavioral health clinic shall remain responsible for compliance with applicable federal and state laws and for the care and services provided to its patients.

(c) The State's role in certifying and overseeing community behavioral health clinics under this chapter shall be limited to the administration of the certification program and shall not be construed to expand the State's obligations beyond those expressly provided in this chapter.

Thank you for the opportunity to provide comments.

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GOVERNOR OF HAWAII
KE KIA'ĀINA O KA
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**STATE COUNCIL ON MENTAL HEALTH
Testimony to the Senate Committee on Ways and Means
IN SUPPORT OF H.B. 1854 HD1 SD1
RELATING TO COMMUNITY BEHAVIORAL HEALTH CLINICS
April 6, 2026, 10:32 a.m., Room 211 and Video**

Chair Dela Cruz, Vice Chair Moriwaki, and Committee members:

The State Council on Mental Health ("Council") strongly supports the primary purpose of this measure, which is the establishment of a State Certified Community Behavioral Health Clinics (CCBHCs) certifying office—a necessary step to expand access to CCBHC services in the State. Our intent today is to ensure that the bill becomes law without unintentionally affecting the State's ability to maintain a State Council on Mental Health that meets both federal and state membership mandates.

Under HRS §334-10, the Council's composition is carefully structured to include specific categories of members and to maintain a balanced, sector-based representation. This statutory framework operates in tandem with federal Mental Health Block Grant requirements, which mandate that a majority of members be neither state employees nor providers, ensuring independent, behavioral health service consumer-informed oversight. Maintaining this balance requires flexibility in appointments.

At the federal level, SAMHSA guidance supports states using broad and flexible approach to stakeholder engagement for CCBHC planning and oversight. Preserving the Council's current structure will not hinder CCBHC implementation; to the contrary, it aligns with SAMHSA's guidance.

As currently drafted, Section 3 of H.B. 1854, HD1 SD1 would add a twenty-second seat designated for the CCBHC certifying office. Even a single additional government-designated position could unintentionally disrupt the balance required under both HRS §334-10 and federal law by affecting required ratios, limiting appointment flexibility, and shifting the Council away from its sector-based structure. These impacts are especially concerning given

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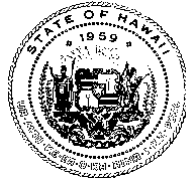
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the Council's ongoing need to manage vacancies while maintaining compliance.

To support the bill while preserving the Council's mandated balance, the Council respectfully requests one focused amendment: the removal of Section 3 of the bill (page 10, lines 1–21, and page 11, lines 1–12). This is the Council's only requested change.

Removing Section 3 allows the bill's main purpose to proceed as intended and ensures the Council remains compliant, balanced, and effective in its advisory role.

Thank you for the opportunity to provide testimony.



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**Testimony in SUPPORT of HB1854 HD1 SD1
RELATING TO COMMUNITY BEHAVIORAL HEALTH CLINICS**

SENATOR DONOVAN DELA CRUZ, CHAIR
SENATOR SHARON MORIWAKI, VICE CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date and Time: Monday, April 6, 2026, 10:32 a.m. Location: Room 211 & Video

1 **Department Position:** The Department strongly supports this measure.

2 **Department Testimony:** The Department supports this measure, which establishes a
3 Community Behavioral Health Clinic Certifying Office. The establishment of this office will allow
4 the State to certify community behavioral health clinics to become Certified Community
5 Behavioral Health Clinics (CCBHCs), which will promote consistency and accessibility to mental
6 health and substance use services for people across the State.

7 CCBHCs use a “no wrong door” approach, serving anyone regardless of age, insurance, or
8 ability to pay. The Department currently provides behavioral health services across all counties,
9 including Hawai‘i, Maui, Kaua‘i, and Honolulu. For Hawai‘i, the CCBHC model will expand access
10 to services and improve continuity of care, addressing rural access gaps, workforce shortages,
11 and disaster recovery needs, as seen after the 2023 Maui wildfires.

12 The CCBHC Demonstration Program launched nationally in 2016 to expand access to
13 comprehensive mental health and substance use services, starting with eight states. Under the
14 Protecting Access to Medicare Act (PAMA), Congress expanded the program to include 10
15 additional states in 2024, with another 10 scheduled for 2026—and every two years thereafter.
16 Today, 18 states and Washington, D.C. are Demonstration states, and 46 states in total

1 participate in the CCBHC model through the Demonstrations or CCBHC planning grants
2 including Hawai'i. Nationwide, more than 500 clinics are already certified and delivering care.

3 CCBHCs represent a national standard for delivering comprehensive, integrated behavioral
4 health care. They combine mental health and substance use treatment with crisis services, care
5 coordination, and connections to physical health, ensuring timely access and continuity of care.
6 This model strengthens systems by improving service quality and addressing gaps in access to
7 care, particularly for underserved and high-need populations. Passing this bill will allow the
8 Department to certify clinics under federal and state CCBHC requirements. Clinics must be
9 certified to qualify for enhanced Medicaid reimbursement under the CCBHC model. Without it,
10 CCBHC clinics cannot receive enhanced Medicaid reimbursement.

11 The Community Behavioral Health Certifying Office (Office) will certify qualified clinics and
12 ensure continued compliance with federal and state CCBHC requirements. The Oversight Board
13 will provide accountability and community input, review applications, and assess statewide
14 behavioral health needs. It includes a diverse group of 9 voting community members, with at
15 least half from rural areas, including mental health and substance use treatment providers,
16 individuals with lived experience, a child and adolescent provider, and a representative from
17 the schools.

18 This bill gives Hawai'i the tools and infrastructure to meet growing behavioral health needs,
19 and the CCBHC model will help make that possible while strengthening care across our State.

20 **Offered Amendments:** The Department defers to the Department of the Attorney General on
21 the recommended language to address their concerns and concurs with their suggested
22 amendments. The Department also has no issue with the suggested amendment by the State
23 Council on Mental Health.

24 Thank you for the opportunity to testify in support of this measure.