

**STATE OF HAWAI'I  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
STATE COUNCIL ON MENTAL HEALTH**  
P.O. Box 3378, Room 256  
HONOLULU, HAWAII 96801-3378

**STATE COUNCIL ON MENTAL HEALTH  
Testimony to the House Committee on Consumer Protection and Commerce  
IN SUPPORT OF S.B. 2089 SD1 HD1  
RELATING TO MENTAL HEALTH  
March 31, 2026, 2:05 p.m., Room 329 and Video**

Chair Matayoshi, Vice Chair Grandinetti, and Committee members:

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Hawaii law, HRS §334-10, established the State Council on Mental Health (SCMH) as a 21-member body to advise on the allocation of resources, statewide needs, and programs affecting more than one county as well as to advocate for adults with serious mental illness, children with serious emotional disturbances, individuals with mental illness or emotional problems, including those with co-occurring substance abuse disorders. Members are residents from diverse backgrounds representing mental health service providers and recipients, students and youth, parents, and family members. Members include representatives of state agencies on mental health, criminal justice, housing, Medicaid, social services, vocational rehabilitation, and education. Members include representatives from the Hawaii Advisory Commission on Drug Abuse and Controlled Substances and county service area boards on mental health and substance abuse.

A majority of the State Council members support SB2089 SD1 HD1 which aims to update Hawaii's Medicaid Prospective Payment System by allowing certain services from supervised, pre-licensed mental health professionals in FQHCs and similar settings to qualify for reimbursement.

We understand that this measure does not add new services or expand the scope of care. Instead, it changes how qualifying services are reimbursed under PPS. We believe this approach can help address workforce shortages by supporting supervised early-career clinicians and improving access to mental health care, especially in underserved communities.

Since the bill mainly changes reimbursement, strong safeguards are important. Implementation should include:

- Clear clinical criteria for qualifying services;
- Defined and enforceable supervision standards;
- Documentation, validation, and monitoring requirements; and
- Oversight mechanisms to prevent abuse, fraud, or misuse of PPS payments.

With the right accountability measures to ensure services are delivered and properly supervised, SB2089 SD1 HD1 can help strengthen Hawaii's behavioral health workforce and maintain program integrity.

Thank you for the opportunity to provide testimony.



OFFICE OF HAWAIIAN AFFAIRS

‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

**TESTIMONY IN SUPPORT OF SENATE BILL 2089 SD1 HD1**

RELATING TO MENTAL HEALTH

Ke Kōmike Hale o ka Ho‘omalū Mea Kemu a me ka ‘Oihana Kālepa

(House Committee on Consumer Protection & Commerce)

Ke Kapitala ‘o Hawai‘i

(Hawai‘i State Capitol)

Malaki 31, 2026

2:05 PM

Lumi 329

Aloha e Chair Matayoshi, Vice Chair Grandinetti, and Members of the House Committee on Consumer Protection & Commerce:

The Office of Hawaiian Affairs (OHA) **SUPPORTS SB2089 SD1 HD1**, which expands Medicaid prospective payment system reimbursement to include mental health services provided by unlicensed or pre-licensed mental health professionals under clinical supervision. OHA appreciates measures such as these which are ultimately aimed at ensuring continuum of care for Hawai‘i residents in rural communities. OHA’s comments are provided to ensure that Native Hawaiians, as OHA beneficiaries, receive the care that is needed, as many reside in rural, underserved communities.

OHA recognizes the significant and pressing mental health needs within Native Hawaiian communities. Research<sup>1</sup> shows that Native Hawaiians experience disproportionately high rates of adverse mental health outcomes, including higher rates of youth suicidal ideation and attempts, elevated self-harm, and greater prevalence of depressive disorders among kūpuna compared to state averages. Despite these disparities, Native Hawaiians often underutilize existing mental health services due to barriers including limited provider availability, cultural mismatch of services, and workforce shortages.

Compounding these challenges, the State faces a severe shortage of licensed mental health professionals, resulting in long waitlists and significant barriers to care for Medicaid beneficiaries and other low-income individuals. This disproportionately affects Native Hawaiians, nearly 25 percent of whom under age 65 are covered by Medicaid or other public insurance.<sup>2</sup> By allowing supervised, pre-licensed mental health professionals to

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<sup>1</sup> Office of Hawaiian Affairs, *OHA-4 Mental Health Council External White Paper* (2024), <https://www.oha.org/wp-content/uploads/OHA-4-Mental-Health-Council-External-White-Paper-Final.pdf>

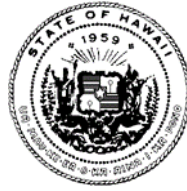
<sup>2</sup> Kaiser Family Foundation (KFF), “Key Data on Health and Health Care for Native Hawaiian and Pacific Islander People,” <https://www.kff.org/racial-equity-and-health-policy/key-data-health-and-health-care-for-native-hawaiian-pacific-islander-people/#coverage>

provide reimbursable services, this bill will expand the workforce available to meet community needs, reduce delays in care, and strengthen Hawai'i's behavioral health system, particularly within safety-net settings such as federally qualified health centers and rural health clinics.

Medicaid reimbursement for supervised providers also supports workforce development by enabling early-career clinicians to gain valuable clinical experience while serving Medicaid populations. This creates career pathways that can improve retention in the behavioral health field, contributing to a more robust, culturally responsive workforce over time. For Native Hawaiian communities which have experienced systemic under-resourcing of culturally grounded mental health supports, expanding provider capacity through this bill represents a concrete step toward equitable access to care.

For these reasons, the Office of Hawaiian Affairs respectfully urges this Committee to **PASS SB2089 SD1 HD1**. Mahalo nui for the opportunity to provide testimony on this important measure.

March **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 30, 2026

TO: The Honorable Representative Scot Z. Matayoshi, Chair  
Committee on Consumer Protection & Commerce

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 2089 SD1 HD1 – RELATING TO MENTAL HEALTH.**

Hearing: March 31, 2026, Time: 2:05 pm  
Conference Room 329 & Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of the measure and offers comments.

The bill's intent is to address the shortage of mental health professionals, promote mental health equity, and expand training opportunities for early-career mental health professionals.

For the committee's information, unlicensed mental health professionals cannot directly bill Medicare or Medicaid. Also, currently, the Hawaii Medicaid State Plan generally limits coverage for services, including Prospective Payment System (PPS) coverage in Federal Qualified Health Centers (FQHC) and Rural Health Centers (RHC), to services provided by licensed professionals. DHS is willing to submit a State Plan Amendment request to the Centers for Medicare and Medicaid Services (CMS) but cautions that there is limited precedent in current regulations for the requested flexibilities.

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



**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

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1177 Alakea Street, #402, Honolulu, HI 96813

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March 30, 2026

**TO:** HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Representative Scot Z. Matayoshi, Chair  
Representative Tina Nakada Grandinetti, Vice Chair  
Honorable Members

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

**RE: SB 2089-SD1-HD1 -- RELATING TO MENTAL HEALTH**

**HEARING:** Tuesday, March 31, 2026 @ 2:05 pm; Conference Room 329

**POSITION:** SUPPORT with COMMENTS

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Testimony:

SHPDA strongly supports SB 2089-SD1-HD1, with comments.

Hawai'i faces a severe behavioral health workforce shortage that is driving long wait times and limiting timely access to care, particularly for Medicaid beneficiaries and rural communities. This bill advances an access-oriented approach by clarifying reimbursement pathways in safety-net settings while maintaining the expectation of licensed clinical oversight.

We defer to DHS/Med-Quest on how to accomplish the worthy objective within the federal CMS rules and guidelines and in assuring patient safety.

Med-QUEST currently permits unlicensed mental health trainees and pre-licensed providers to deliver services that may be reimbursed at PPS rates when appropriate supervision requirements are met, including circumstances in which the licensed clinician is engaged with the patient for key portions of the visit. This approach has long-standing alignment with federal expectations and has supported care access in community settings. SB 2089-SD1-HD1 can reinforce operational consistency and reduce ambiguity for clinics by placing this framework more clearly into state policy.

At the same time, patient safety must remain central. The bill uses the term "under clinical supervision" without defining what supervision entails, and "unlicensed mental health professional" could include students, interns, post-doctoral fellows, or other trainees with widely varying competency and oversight needs. Some licensing

*SB 2089-SD1-HD1: testimony of SHPDA (2026), continued*

pathways may only require limited weekly supervision depending on training level, which may be insufficient for high-acuity, vulnerable populations if relied upon as the sole safeguard.

For these reasons, we support SB 2089-SD1-HD1 with the recommendation that implementation include well-defined, auditable parameters regarding (1) permissible levels of training, (2) minimum supervision standards, and (3) when licensed clinician participation is required for key portions of the visit. We respectfully request further discussion and clear guidance on what constitutes “under clinical supervision” and the training thresholds under which this model should be permissible, to ensure expanded access does not come at the expense of quality or patient safety.

Thank you for hearing SB 2089-SD1-HD1.

Mahalo for the opportunity to testify.

■ -- Jack Lewin, MD, Administrator, SHPDA



## Hawaii Medical Association

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### HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Representative Scot Z. Matayoshi, Chair

Representative Tina Nakada Grandinetti, Vice Chair

Date: March 31, 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 SB 2089 SD 1 HD1 RELATING TO MENTAL HEALTH** - DHS; Medicaid; Prospective Payment System; Reimbursement; Mental Health Services; Mental Health Professionals; Rules

**Position: Support with comments**

This measure would expand the services eligible for Medicaid Prospective Payment System reimbursement to include certain services furnished by a federally qualified health center or rural health clinic and provided by mental health professionals under the clinical supervision of a licensed mental health professional.

HMA supports the intent of this measure and shares the goal of improving behavioral health access in underserved areas. This measure allows unlicensed mental health professionals to deliver covered services under the clinical supervision of a licensed mental health professional. Clear competencies and documented oversight procedures should be explicit to decrease risks for fragmented care or inadequate clinical assessment of high-risk conditions such as suicidality, psychosis, or severe substance use disorders.

HMA appreciates the recommendations of the House Committee on Human Services & Homelessness and language regarding the level of training, minimum supervision standards, and patient notification. Similarly, HMA respectfully requests modifications to strengthen patient safety, provider accountability, and quality of care:

- **Defined minimum supervision standards** in statute or in required DHS rulemaking (e.g., weekly supervisory case review; documentation of supervisory decisions; defined response times for supervisors)
- **Patient notification** regarding provider qualifications and oversight relationships
- **Quality and safety reporting requirements** for access, outcomes, and escalation patterns in DHS oversight metrics

HMA supports efforts to expand behavioral health access in Hawaii, especially given documented workforce shortages in our state. However, patient safety, quality, clear role delineation, and an enforceable supervision framework are essential guardrails if this expansion is to achieve its intended benefits responsibly.

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

#### 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

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Nadine Tenn-Salle, MD, President • Jerald Garcia, MD, President Elect • Elizabeth Ann Ignacio, MD, Immediate Past President  
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## REFERENCES

Saunders, Heather, and Michelle Guth. "A Look at Strategies to Address Behavioral Health Workforce Shortages: Findings from a Survey of State Medicaid Programs." Kaiser Family Foundation, 10 Jan. 2023, *KFF.org*, <https://www.kff.org/mental-health/a-look-at-strategies-to-address-behavioral-health-workforce-shortages-findings-from-a-survey-of-state-medicaid-programs/>

*Behavioral Health Integration Compendium*. American Medical Association Behavioral Health Integration Collaborative, 2024, <https://www.ama-assn.org/system/files/bhi-compendium.pdf>

American Medical Association. "Physician-Led Team-Based Care." AMA, <https://www.ama-assn.org/practice-management/scope-practice/physician-led-team-based-care>

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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



ALOHA CARE

**LATE**

To: The Honorable Scot Z. Matayoshi, Chair  
The Honorable Tina Nakada Grandinetti, Vice Chair  
House Committee on Consumer Protection & Commerce

From: Paula Arcena, Senior Vice President of External Affairs  
Mike Nguyen, Senior Director of External Affairs  
Maria Rallojay, Public Policy Specialist

Hearing: Tuesday, March 31, 2026, 2:05pm, Conference Room 329

RE: **SB2089 SD1 HD1 Relating to Mental Health**

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AlohaCare appreciates the opportunity to provide testimony in **support of the intent of SB2089 SD1 HD1**. This measure would: (1) expand the services eligible for Medicaid Prospective Payment System reimbursement to include certain services furnished by a federally qualified health center or rural health clinic and provided by mental health professionals under the clinical supervision of a licensed mental health professional; (2) Requires the Department of Human Services to adopt rules for this purpose and seek federal approvals as necessary; (3) Specifies that implementation is contingent upon and only to the extent approved by the Centers for Medicare and Medicaid Services.

AlohaCare is a community-rooted, non-profit health plan founded by Hawai'i's Community Health Centers and the Queen Emma Clinics. We serve over 66,000 Medicaid and Medicaid-Medicare dual-eligible residents on all islands. Since 1994, AlohaCare has partnered with providers, government entities, and community-based organizations to meet the evolving needs of our safety net community as Hawai'i's only health plan focused solely on Medicaid-eligible individuals. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for equitable access to quality, whole-person care for all.

AlohaCare's commitment to whole-person care includes providing timely access to mental health services. We see firsthand the growing demand for mental health services, especially in neighbor island and rural communities. Workforce shortages in mental health are one of the most significant barriers to timely, appropriate care. For these reasons, AlohaCare supports this measure to address the mental health provider shortage by letting Medicaid pay for care delivered by supervised, pre-licensed mental health professionals, expanding access and reducing waitlists.

Mahalo for this opportunity to testify in **support of the intent of SB2089 SD1 HD1**.

**SB-2089-HD-1**

Submitted on: 3/28/2026 8:10:21 AM

Testimony for CPC on 3/31/2026 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2089 SB RELATING TO MENTAL HEALTH.



*Akahai Emotional Wellness, LLC*

No one should have to walk alone.

**Written Testimony of Kevin Faust  
House Committee on Commerce & Consumer Affairs (CPC)  
In Support of Allowing Mental Health Professionals Under Clinical Supervision to Bill  
Medicaid for Services**

**SB2089 SD1 HD1 – Relating to Mental Health  
March 31, 2026**

Aloha e Chair, Vice Chair, and Members of the Committee,

My name is Kevin Faust, and I am a Licensed Mental Health Counselor (LMHC) on Big Island, working as a psychotherapist and as the clinical director for Akahai Emotional Wellness, LLC. I submit this testimony in **strong support** of legislation (SB2089 SD1) that would allow mental health professionals under clinical supervision to be reimbursed by Medicaid in the State of Hawai‘i.

Hawai‘i continues to face a significant behavioral health workforce shortage, particularly in rural and underserved communities. At the same time, demand for mental health services has increased dramatically due to the long-term impacts of the COVID-19 pandemic, rising rates of anxiety and depression, substance use disorders, and ongoing political and economic stressors affecting families across the state.

Mental health professionals under clinical supervision who are working towards full licensure have completed graduate-level education, supervised clinical training, and have met rigorous state requirements to provide mental health services under supervision. They are fully qualified to deliver high-quality, evidence-based care. However, current Medicaid reimbursement policies in Hawai‘i prevent these providers from billing directly for services, creating unnecessary barriers for patients and clinics alike.

This restriction has several harmful consequences:

1. **Reduced Access to Care:** Medicaid beneficiaries, many of whom are children, kūpuna, Native Hawaiian families, and individuals in rural areas, face longer wait times because associate licensed providers cannot be reimbursed.
2. **Workforce Instability:** Mental health agencies and businesses struggle to recruit and retain early-career clinicians because pre-licensed mental health professionals are forced to only accept clients who can pay out-of-pocket for services or they work for free simply to get the hours they need for full licensure.
3. **Inequity in Care:** Medicaid patients are disproportionately affected by provider shortages, deepening existing health disparities in our state.

SB2089 SD1 is a practical and fiscally responsible solution. Allowing pre-licensed mental health professionals to bill Medicaid under appropriate supervision:

- Expands the behavioral health workforce **immediately**
- Reduces waitlists
- Supports community-based providers
- Strengthens the pipeline toward full licensure
- Improves continuity of care for vulnerable residents

Many other states (to include, but not at all limited to California, Oregon, Texas, and Pennsylvania) already allow Medicaid reimbursement for pre-licensed clinicians under supervision, recognizing that early-career professionals are essential to addressing workforce shortages. Hawai'i should not lag behind in implementing common-sense policy that improves access to mental health services.

This is exactly how I was first licensed in Pennsylvania. I cannot imagine how difficult it would have been to obtain the required clinical hours needed for licensure without it. It was also great experience for me professionally and allowed me to earn a living wage before I was fully licensed. I currently have a months-long waitlist and would love the opportunity to allow a pre-licensed therapist working under my supervision to take on some of these clients who are waiting for care.

It is my view that mental health professionals working “under clinical supervision” would include all those working towards licensure as a 1) licensed clinical psychologist, 2) licensed mental health counselor, 3) licensed marriage and family therapist, or 4) licensed clinical social worker. The licensure and supervision requirements for these licensed professionals already contain **stringent regulations**, so any of these professionals who are working towards licensure already have the protections in place to provide services safely and effectively.

**This bill does not lower professional standards.** It maintains supervisory requirements and safeguards while aligning reimbursement policy with clinical reality. This bill is beneficial to everyone involved.

Mental health care is health care. Expanding access to qualified providers is critical to improving outcomes, reducing crisis interventions, and strengthening families and communities across our islands.

For these reasons, I respectfully and strenuously urge the Committee to pass SB2089 SD1.

Mahalo for the opportunity to provide this testimony.

Sincerely,



Kevin Faust, LMHC, LPC, NCC, NATC, CCTP-II

Psychotherapist and Clinical Director at Akahai Emotional Wellness, LLC

Hilo, Hawai'i