

**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 Human Services & Homelessness
And House Committee on Health
IN SUPPORT OF S.B. 2089 SD1
RELATING TO MENTAL HEALTH
March 19, 2026, 9:30 a.m., Room 329 and Video**

CHAIRPERSON

Katherine Aumer, PhD

1st VICE CHAIRPERSON

Kathleen Merriam, LCSW CSAC

2nd VICE CHAIRPERSON

Forrest Wells, MSCP, LMHC, MBA

SECRETARY

Mary Pat Waterhouse, MHA MBA

MEMBERS:

Danielle Bergan

John Betlach

Tianna Celis-Webster

Lea Dias, MEd

Jon Fujii, MBA

Heidi Ilyavi

Jackie Jackson, CFPS

Christine Montague-Hicks, MEd

Ray Rice, MEd

Asianna Saragosa-Torres

Kristin Will, MA, CL, CSAC

EX-OFFICIO:

Marian Tsuji, Deputy Director
Behavioral Health Administration

WEBSITE:

scmh.hawaii.gov

EMAIL ADDRESS:

doh.scmhchairperson@doh.hawaii.gov
doh.hawaii.gov

Chairs Marten and Takayama, Vice Chairs Olds and Keohokapu-Lee Loy and Committee members:

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, 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

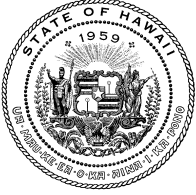
improving access to mental health care, especially in underserved communities.

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 can help strengthen Hawaii's behavioral health workforce and maintain program integrity.

Thank you for the opportunity to provide testimony.



**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'OKOLE

JOHN C. (JACK) LEWIN, MD
ADMINISTRATOR

1177 Alakea Street, #402, Honolulu, HI 96813

Phone: 587-0788 Fax: 587-0783 www.shpda.org

March 17, 2026

TO: HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS
Representative Lisa Marten, Chair
Representative Ikaika Olds, Vice Chair

HOUSE COMMITTEE ON HEALTH
Representative Gregg Takayama, Chair
Representative Sue L. Keohokapu-Loy, 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-- RELATING TO MENTAL HEALTH**

HEARING: Thursday, March 19, 2026 @ 9:30 am; Conference Room 329

POSITION: SUPPORT with COMMENTS

Testimony:

SHPDA strongly supports SB 2089-SD1, 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 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 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 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.

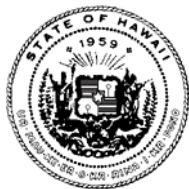
For these reasons, we support SB 2089-SD1 with the recommendation that implementation include well-defined, auditable parameters regarding (1) permissible levels of training, (2) minimum supervision standards, and (3) when licensed clinician participation is required for key portions of the visit. We 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.

Mahalo for the opportunity to testify.

■ -- Jack Lewin, MD, Administrator, SHPDA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'ŌKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'ŌKELE

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'ŌKELE

March 18, 2026

TO: The Honorable Representative Lisa Marten, Chair
House Committee on Human Services and Homelessness

FROM: Ryan I. Yamane, Director

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

Hearing: March 19, 2026, Time 9:30 a.m.
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. DHS requests additional time to research the feasibility of extending Prospective Payment System (PPS) payments to services provided by unlicensed mental health professionals under the supervision of licensed mental health professionals in Federal Qualified Health Center (FQHC) or Rural Health Care (RHC) settings, as well as the feasibility of allowing unlicensed mental health professionals to bill for Medicaid services.

DHS respectfully requests that language be added indicating that, if passed, the bill is contingent upon and enforceable only to the extent approved by the Centers for Medicare & Medicaid Services (CMS). For the committee's information, administrative rules will only be drafted and adopted after CMS approval is received.

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

Currently, unlicensed mental health professionals cannot directly bill Medicare or Medicaid. Also, currently, the Hawaii Medicaid State Plan generally limits coverage for services, including PPS coverage in FQHCs and RHCs, to services provided by licensed professionals. DHS is willing to submit a State Plan Amendment request to CMS but cautions that there is limited precedent in current federal regulations for the requested flexibilities.

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



Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

HOUSE COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS

Representative Lisa Martin, Chair
Representative Ikaika Olds, Vice Chair

Date: March 19, 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 RELATING TO MENTAL HEALTH - DHS; Medicaid; Prospective Payment System; Reimbursement; Mental Health Services; Mental Health Professionals; Rules

Position: 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 appreciates 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.

We respectfully offer comments and concerns to strengthen patient safety, provider accountability, and quality of care.

- **Clarification of “unlicensed mental health professional”** with bounded, competency-based training criteria
- **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 submit comments on 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

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

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>

2024 Hawaii Medical Association Officers

Elizabeth Ann Ignacio, MD, President • Nadine Tenn-Salle, MD, President Elect • Angela Pratt, MD, Immediate Past President
Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

2024 Hawaii Medical Association Public Policy Coordination Team

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



OFFICE OF HAWAIIAN AFFAIRS

‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

TESTIMONY IN SUPPORT OF SENATE BILL 2089 SD1

RELATING TO MENTAL HEALTH

Ke Kōmike Hale o ka Lawelawe Kānaka a me ka Pilikia Ho‘okuewa

(House Committee on Human Services & Homelessness)

Ke Kōmike Hale o ke Olakino

(House Committee on Health)

Ke Kapitala ‘o Hawai‘i

(Hawai‘i State Capitol)

Malaki 19, 2026

9:30 AM

Lumi 329

Aloha e Chair Marten, Chair Takayama, Vice Chair Olds, Vice Chair Keohokapu-Lee Loy, Members of the House Committee on Human Services & Homelessness, and Members of the House Committee on Health:

The Office of Hawaiian Affairs (OHA) **SUPPORTS SB2089 SD1**, 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. Research¹ 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

¹ 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>

public insurance.² By allowing supervised, pre-licensed mental health professionals to 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**.

Mahalo nui for the opportunity to provide testimony on this important measure.

² 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>



**WAIANAЕ COAST
COMPREHENSIVE
HEALTH CENTER**

LATE

**Thursday, 03-19-26 9:30AM
State Capitol, Conference Room 329**

House Committee on Human Services & Homelessness

To: Representative Lisa Marten, Chair,
Representative Ikaika Olds, Vice Chair

From: Ian Ross
Public Affairs Director
ianross@wcchc.com | (808) 697-3457

RE: SUPPORT FOR SENTATE BILL 2089 SD1 - RELATING TO MENTAL HEALTH

Aloha Chair and Members of the Committee,

Waiānae Coast Comprehensive Health Center (WCCHC) **supports** SB 2089 SD1.

WCCHC is a Federally Qualified Health Center dedicated to improving the health and well-being of the West O'ahu community by providing accessible and affordable medical care. With 53 years of service, WCCHC is committed to providing comprehensive healthcare that supports the whole person and improves long-term health outcomes for the communities we serve. As a part of our mission, WCCHC is a learning center that offers health career training to ensure a better future for our community.

Hawai'i continues to face a severe shortage of licensed mental health professionals. This shortage disproportionately impacts Medicaid beneficiaries and rural communities, where waitlists are long and access to care is limited. SB 2089 SD1 addresses this workforce challenge in a practical and responsible way by allowing services provided by supervised, pre-licensed mental health professionals at Federally Qualified Health Centers and Rural Health Clinics to be eligible for Medicaid Prospective Payment System reimbursement.

Supervised pre-licensed clinicians are already an essential part of the behavioral health workforce pipeline. They provide care under the clinical supervision of licensed professionals, meet rigorous training standards, and are working toward full licensure. However, the current reimbursement structure creates financial barriers that limit the ability of FQHCs to fully utilize and support these emerging professionals.

Mahalo for your leadership. WCCHC urges your support of SB 2089 SD1.



Akahai Emotional Wellness, LLC

No one should have to walk alone.

**Written Testimony of Kevin Faust
House Committee on Human Services & Homelessness (HSH)
In Support of Allowing Mental Health Professionals Under Clinical Supervision to Bill
Medicaid for Services**

**SB2089 SD1 – Relating to Mental Health
March 19, 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