



**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'ŌKELE

JOHN C. (JACK) LEWIN, MD
ADMINISTRATOR

March 2, 2026

TO: SENATE COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, 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: Wednesday, March 4, 2026 @ 10:31 am; Conference Room 211

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.

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.

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

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
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STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
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TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'ŌKELE

March 3, 2026

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Ryan I. Yamane, Director

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

Hearing: March 4, 2026, Time 10:31 a.m.
Conference Room 211 & 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.



TESTIMONY IN SUPPORT OF SENATE BILL 2089 SD1
RELATING TO MENTAL HEALTH

Ke Kōmike ‘Aha Kenekoa o ke Ki‘ina Hana a me nā Kumuwaiwai
(Senate Committee on Ways and Means)

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

Malaki 4, 2026

10:31 AM

Lumi 211

Aloha e Chair Dela Cruz, Vice Chair Moriwaki, a me Members of Ke Kōmike ‘Aha Kenekoa o ke Ki‘ina Hana a me nā Kumuwaiwai:

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>



**Testimony Presented Before the
Senate Committee on Ways and Means
Wednesday, March 4, 2026 at 10:31 AM
Conference Room 211 and Videoconference
By
Laura Reichhardt, APRN, AGPCNP-BC
Director, Hawai'i State Center for Nursing
University of Hawai'i at Mānoa**

COMMENTS on SB 2089, SD1

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

The Hawai'i State Center for Nursing (HSCN) is committed to fostering workplace conditions that enable nurses to thrive and remain in a fulfilling profession. SB2089, SD1 is of significant interest as it proposes to expand Medicaid Prospective Payment System reimbursement to include mental health services provided by unlicensed mental health professionals under the supervision of licensed professionals at federally qualified health centers and rural health clinics. This bill directly impacts the broader healthcare workforce and the delivery of mental health services in the state, which are closely linked to nursing practice and patient care outcomes.

HSCN recommends amending the professional titles to align with the titles as enacted in the profession's respective practice acts: Chapter 453 for physician assistants and Chapter 457 for advanced practice registered nurses. This would align this measure with the yearslong efforts of HSCN and our interprofessional colleagues to ensure that healthcare professional practice acts and healthcare laws work seamlessly together to ensure optimal healthcare practice.

Page 4, Lines 5-9

(5) Delivered exclusively by health care professionals, including [~~physicians,~~];

(A) ~~Physicians,~~ physician[~~s~~] assistants, [~~nurse practitioners, nurse midwives~~] ~~advanced practice registered nurses,~~ clinical social workers, clinical psychologists, and other persons acting within the lawful scope of their license or certificate to provide services; or

In addition, HSCN commends HMA in their descriptions of safe delegation practices. HSCN notes that for nursing, delegation standards are both established in state law (HRS 457-7.5) as well as supported by Hawai'i Board of Nursing endorsed delegation decision making frameworks. These safeguards as well as the considerations offered by HMA are paramount in protecting patients when delivering high quality, comprehensive, team-based healthcare.

The Hawai'i State Center for Nursing commends the legislature and mental health care partners in engaging in discussions to ensure that expanded access to mental health services is achieved without compromising patient safety or the professional standards of Hawaii's healthcare workforce.

The mission of the Hawai'i State Center for Nursing is to collaborate on fostering workplace conditions that support nurses to remain in a fulfilling profession.



Akahai Emotional Wellness, LLC

No one should have to walk alone.

**Written Testimony of Kevin Faust
Hawai'i State Senate Committee on Ways and Means (WAM)
In Support Of Allowing Mental Health Professionals Under Clinical Supervision to Bill
Medicaid for Services**

**SB2089 SD1 – Relating to Mental Health
March 4, 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 testimony.

Sincerely,



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

Psychotherapist and Clinical Director at Akahai Emotional Wellness, LLC

Hilo, Hawai'i



www.AlohaILHawaii.org

Mar 2, 2026

MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

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Roxanne U. Bolden

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The Honorable Senator Donovan Dela Cruz, Chair
Senate Committee on Ways and Means
The Thirty-Third Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

SUBJECT: SB 2089 SD1, Relating to Mental Health

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) respectfully **offers comments on SB2089 SD1.**

SB2089 SD1 seeks to expand Medicaid Prospective Payment System reimbursement to include certain services furnished by federally qualified health centers and rural health clinics and delivered by mental health professionals under the clinical supervision of a licensed mental health professional. The bill also requires the Department of Human Services to adopt rules to implement reimbursement for these supervised services.

AILH recognizes the State's severe shortage of licensed mental health professionals and the resulting barriers to care for Medicaid beneficiaries. Expanding the behavioral health workforce pipeline is a reasonable policy objective. However, workforce expansion must be accompanied by clear safeguards to ensure quality, equitable access, and fiscal accountability.

AILH respectfully offers the following considerations for implementation:

1. Quality and Supervision Standards

Clear supervision ratios, documentation requirements, and oversight standards should be defined in rulemaking to ensure that services delivered by pre-licensed professionals maintain consistent quality. Transparency regarding supervision structures will help protect consumers and support fiscal integrity.



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Consumers should also be informed when services are provided by a pre-licensed or trainee professional under supervision, ensuring informed participation in care.

2. Medicaid Access and Equity

While expanding reimbursement eligibility may increase provider availability, the Legislature may wish to require reporting on measurable outcomes, including waitlist reduction, access improvements for Medicaid beneficiaries, and geographic distribution of services. This will assist in evaluating whether workforce expansion achieves its intended access goals.

It is also important that Medicaid beneficiaries not be disproportionately routed to trainee-level providers without adequate oversight or access to licensed professionals when clinically appropriate.

3. Disability Competency

Individuals with disabilities, including those with intellectual, developmental, sensory, psychiatric, and co-occurring conditions, require providers trained in disability-informed and trauma-informed approaches. Rulemaking and supervision requirements should include attention to cross-disability competency to ensure services are responsive to diverse needs.

Consistent with the goals of the State Plan for Independent Living, access to community-based behavioral health services should be person-centered, equitable, and protective of individual rights. Workforce expansion should strengthen – not dilute – those principles.

4. Rural and Neighbor Island Equity

Rural and neighbor island communities face significant provider shortages. The Legislature may wish to ensure that supervision capacity is sufficient in rural settings so that clinics are not limited in their ability to implement this expansion. Monitoring geographic implementation will help ensure that access improvements are distributed equitably across the State.

SB2089 SD1 presents an opportunity to strengthen Hawaii's behavioral health workforce while expanding Medicaid access. AILH respectfully encourages



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thoughtful implementation with clear safeguards to protect service quality, promote disability competency, and ensure equitable rural access.

Thank you for the opportunity to provide comments.

Aloha,

Roxanne Bolden

Executive Director



Hawaii Medical Association

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SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Date: March 4, 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

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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

To: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Committee on Ways and Means

From: Veronica Moore, Individual Citizen

Date: March 3, 2026

RE: Senate Bill 2089 SD1
Measure Title: RELATING TO MENTAL HEALTH.
Report Title: DHS; Medicaid; Prospective Payment System; Reimbursement;
Mental Health Services; Mental Health Professionals; Rules

To All Concerned,

My name is Veronica Moore and I support Senate Bill 2089 SD1. Thank you for your consideration.

Sincerely,

Veronica M. Moore