



# DISABILITY AND COMMUNICATION ACCESS BOARD

Ka 'Oihana Ho'oka'a'ike no ka Po'e Kīnānā

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February 25, 2026

## TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

### Senate Bill 3324 – Relating to Medicaid

The Disability and Communication Access Board (DCAB) supports Senate Bill 3324 – Relating to Medicaid. This bill appropriates moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes. Requires the Department to obtain matching federal funds and to pursue additional funding sources.

Many Medicaid recipients prefer to receive in-home services and age in place. Hawaii has a shortage of community care foster family homes and expanded adult residential care homes.

This bill addresses the shortage of care facilities and cost savings for Medicaid recipients from out of pocket expenses if placed in an institutionalized nursing facility- and would assist individuals who prefer to age in place and prevent placement in expensive nursing facilities.

Thank you for the opportunity to testify.

Respectfully submitted,

KRISTINE PAGANO  
Acting Executive Director

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

February 24, 2026

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

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 3324 – RELATING TO MEDICAID.**

Hearing: February 25, 2026, 10:57 a.m.  
Conference Room 211 & Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the bill, offers comments, and requests an amendment. DHS respectfully requests that this program and appropriation not conflict with, reduce, or replace priorities identified in the executive budget.

DHS agrees that Community Care Family Foster Home (CCFFH) and Expanded Adult Residential Care Home (E-ARCH) capacity remains limited despite the rate increase authorized by the Legislature in 2025 in alignment with the "low" rate scenario provided in the Home and Community-Based Services (HCBS) Rate Study Report commissioned by DHS in December 2022. DHS supports the Legislature's intent to increase reimbursement for CCFFH and E-ARCH facilities to the "medium" rate scenario provided in the HCBS Rate Study Report. Based on updated utilization data, the appropriation request may be reduced to a general fund request of \$1,770,892.

Additionally, DHS respectfully requests that the bill language be amended to remove all references to a DHS contractor (Milliman), who performed the study under a DHS contract, and instead refer to the study as the "DHS Home and Community-Based Services (HCBS) Rate Study Report" to clarify that DHS is the "group author" of the study.

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



**STATE OF HAWAII**  
**KA MOKU'ĀINA O HAWAII**  
**STATE COUNCIL ON DEVELOPMENTAL DISABILITIES**  
**'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA**  
PRINCESS VICTORIA KAMĀMALU BUILDING  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 25, 2026

The Honorable Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means  
The Thirty-Third Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Chair Dela Cruz and Committee Members:

**SUBJECT:** Testimony in Support of SB3324, Relating to Medicaid

The Hawai'i State Council on Developmental Disabilities is in **SUPPORT of SB3324**, which appropriates moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes, and requires the Department to obtain matching federal funds and to pursue additional funding sources

Sustaining and strengthening the caregiver workforce is critical to maintaining community-based options for individuals with disabilities and kupuna across Hawai'i. Workforce shortages remain a significant barrier to expanding access to home and community-based services, particularly on the neighbor islands, where shortages are most acute.

Increasing residential service reimbursement rates helps providers recruit and retain direct care staff and offer stable wages and basic benefits. Stronger workforce stability directly translates into more available homes and shorter waitlists for individuals who rely on these settings to live safely in the community.

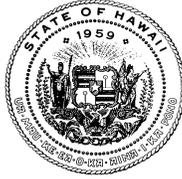
Community care foster family homes and expanded adult residential care homes are essential components of Hawai'i's long-term care system. Supporting provider sustainability ensures continuity of care, prevents unnecessary institutionalization, and strengthens community-based living options statewide.

For these reasons, the Hawai'i State Council on Developmental Disabilities **supports SB3324**.

Thank you for the opportunity to submit testimony.

Sincerely,

Daintry Bartoldus, Executive Administrator



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of SB3324  
RELATING TO MEDICAID.**

SENATOR DONOVAN M. DELA CRUZ, CHAIR  
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date and Time: WED., February 25, 2026 @ 10:57am

Room Number: 211

- 1 **Fiscal Implications:** There is no cost to the Department of Health (Department).
- 2 **Department Position:** The Department submits testimony in strong support of SB3324
- 3 **Department Testimony:** The Department of Health, Office of Health Care Assurance (OHCA)
- 4 licenses and oversees community care foster family homes and other long-term care settings
- 5 that serve many of Hawai'i's most vulnerable residents, including older adults and individuals
- 6 with disabilities. These providers play a critical role in supporting residents in community-based
- 7 settings and helping prevent unnecessary institutionalization.

8 Adequate Medicaid reimbursement is essential to sustaining this system of care. Many  
9 licensed care homes operate on very narrow margins while facing rising costs for staffing, food,  
10 utilities, insurance, training, and regulatory compliance. Without reimbursement rates that  
11 reflect the true cost of care, providers face significant financial strain, which can lead to  
12 workforce shortages, reduced capacity, or facility closures.

13 Increasing Medicaid reimbursement will:

- 14 • Help stabilize the existing network of licensed care homes.
- 15 • Support recruitment and retention of qualified caregivers.
- 16 • Improve quality of care and resident safety.

- 1 • Encourage providers to continue serving Medicaid beneficiaries.
- 2 • Help ensure access to community-based long-term care statewide.

3 As Hawai'i's population continues to age, demand for community-based long-term care  
4 services will continue to grow. Strengthening reimbursement now is a proactive step to ensure  
5 that safe, licensed care settings remain available for residents who depend on them.

6 For these reasons, OHCA respectfully urges the Committee to pass SB3324.

7 **Offered Amendments:** None.

8 Thank you for the opportunity to testify on this measure.



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**The State Legislature**  
**Senate Committee on Ways and Means**  
**Wednesday, February 25, 2026**  
**Conference Room 211, 10:57 p.m.**

TO: The Honorable Donovan Dela Cruz, Chair  
FROM: Kealii Lopez, AARP State Director  
RE: Support for S.B.3324, Relating to Medicaid

Aloha Chair Dela Cruz and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP Hawaii supports S.B. 3324 which appropriates funds to increase Medicaid reimbursement rates for home and community-based services (HCBS), including residential care homes. This measure advances policies that allow kūpuna and people with disabilities to live safely in their homes and communities—where they overwhelmingly prefer to receive care.

S.B. 3324 strengthens Hawai'i's continuum of long-term care by directing additional resources to essential HCBS providers. These services enable older adults and individuals with disabilities to receive assistance with daily activities, manage chronic conditions, and maintain independence. Investing in HCBS helps prevent unnecessary institutionalization, reduces avoidable hospitalization, and improves overall health outcomes.

Equally important, the bill recognizes the critical role of direct care workers. Caregivers are the backbone of our long-term care system, yet many face low wages, limited support, and high turnover. Increasing Medicaid reimbursement rates helps stabilize this workforce, enhances care continuity, and ensures families can rely on a trained, reliable, and sustainable caregiving system.

AARP Hawai'i appreciates the Legislature's attention to strengthening home and community-based care options for our kūpuna and people with disabilities. We respectfully urge passage of S.B. 3324.

Mahalo for the opportunity to testify in support of this important measure.



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

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

Hearing: Wednesday, February 25, 2026, 10:57am, Conference Room 211

RE: **SB3324 SD1 Relating to Medicaid**

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AlohaCare appreciates the opportunity to provide testimony in **support of the intent of SB3324 SD1**. This measure would (1) appropriate moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes; and (2) require the Department to obtain matching federal funds and to pursue additional funding sources.

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 is committed to improving access to care, especially for our kūpuna, persons with disabilities, and others needing home- and community-based services as an alternative to institutional care settings. For example, AlohaCare directly invests in these services through our GRACE (Geriatric Resources for Assessment and Care of Elders) program, which serves Medicaid members with complex medical, functional, and social needs. GRACE relies on in-home services to help members safely age in place, manage chronic conditions, and prevent avoidable emergency room visits and hospitalizations. However, the success of programs like GRACE depends on the availability and stability of in-home service providers. As such, we support the intent of this bill. We defer to the Department of Human Services Med-QUEST Division and the Legislature as to the appropriate level of funding.

Mahalo for this opportunity to testify in **support of the intent of SB3324 SD1**.

**SB-3324**

Submitted on: 2/23/2026 2:03:34 PM

Testimony for WAM on 2/25/2026 10:57:00 AM

| Submitted By           | Organization                              | Testifier Position | Testify                   |
|------------------------|---|--------------------|---------------------------|
| Rosemarie S. Sebastian | Testifying for<br>SEBASTIAN'S ARCH<br>LLC | Support            | Written Testimony<br>Only |

Comments:

To: The Honorable Senator Donovan Dela Cruz, Chair, and all Members of Ways and Means Committee:

Thank you for SB3324 - Relating to Medicaid.

I operate an Adult Residential Care Home (Type I ARCH) but I am quite aware that the Community Care Foster Family Homes (CCFFH)--most especially--are very much underpaid for many many years now. Their current pay for their Medicaid Reimbursement pay doesn't commensurate with the levels of services that they provide. They work very hard to provide care for our precious Kupunas here in Hawaii 24/7 but gets compensated so minimal. I don't know how these homes are meeting both ends month after month but I know that the Operator/Caregiver compromises a lot. Because the current income isn't sufficient to meet their monthly expenses, you can assume that the Operator, in this case, is the one that doesn't get paid. This is not good for Hawaii.--it's demoralizing! I believe our State can do better. If we care so much about our Kupunas, then the State should try it's best to compensate these CCFFH Caregivers' a respectable & fair pay. Usually, Caregivers make it their vocation to care for the elderly and the mentally disabled in our community because they are compassionate individuals. However, caregiving job is hard and it's hardest when you have to worry about monthly budget--that is upside down. These Caregivers/Homes are essential to the future of Kupunas care in our State so would the State also take care of Caregivers?

I am humbly pleading, on behalf of all fellow caregivers; therefore, I highly encourage your Committee to Support/Pass SB3324.

Your kind support would be greatly appreciated.

Sincerely,

Rose Sebastian

SEBASTIAN'S ARCH LLC

1630 LEILANI ST.

HONOLULU, HI 96819

(808) 842-3736

Email: [rose.sebastian808@gmail.com](mailto:rose.sebastian808@gmail.com)

**SB-3324**

Submitted on: 2/23/2026 3:05:30 PM

Testimony for WAM on 2/25/2026 10:57:00 AM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Testify</b>            |
|---------------------|---------------------|---------------------------|---------------------------|
| Louis Erteschik     | Individual          | Support                   | Written Testimony<br>Only |

Comments:

We support this Bill. While our main focus of course is on our clients who reside in care homes we very much value the efforts of the caregivers who operate those homes. Without them, we would not have the robust community based system of residential care that we do have. It is important that they be properly compensated. In particular, as the caregiver population ages, it is vital to ensure that the next generation is properly incentivized to carry forward with this work.



## 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: February 25, 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 3324** RELATING TO MEDICAID. DHS; Medicaid; Med-QUEST; Home- and Community-Based Services; Residential Services; Community Care Foster Family Homes; Expanded Adult Residential Care Homes; Federal Matching Funds; Appropriation (\$)

#### **Position: Support**

This measure would appropriate moneys to the Department of Human Services to increase funding for certain Medicaid home- and community-based services, including residential services offered in community care foster family homes and expanded adult residential care homes and require the Department to obtain matching federal funds and to pursue additional funding sources.

Hawaii's care needs are growing, yet Hawaii has unmet demand and persistent waiting lists for home- and community-based supports - signals that access is not keeping pace with need. HMA supports this measure that may strengthen in-home and other home-like residential supports, reduce avoidable institutional placement, support smoother hospital-to-home transitions, and better match services to patient goals and functional needs. Additionally, the provision for available federal matching dollars while building capacity for patients' community-based services may rebalance long-term care systems toward care in the least restrictive setting.

Home-like, community-based residential options can strengthen continuity, relieve caregiver strain, and improve quality of life while preserving higher-acuity institutional resources for those who truly need them. Investing in Medicaid in-home and community-based care is one of the most practical ways to help kūpuna and people with disabilities stay safely in familiar settings, maintain independence, and remain connected to family and community.

Thank you for allowing the 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

#### **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 AND QUICK LINKS

Burns, Alice, Abby Wolk, and Molly O'Malley Watts. *A Look at Waiting Lists for Medicaid Home- and Community-Based Services from 2016 to 2025*. Kaiser Family Foundation, 20 Nov. 2025, <https://www.kff.org/medicaid/a-look-at-waiting-lists-for-medicaid-home-and-community-based-services-from-2016-to-2025/>

"Home- and Community-Based Services." MACPAC, 2 Apr. 2024. <https://www.macpac.gov/subtopic/home-and-community-based-services/>. Accessed 15 Feb. 2026.

U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (ASPE).

"Rebalancing Long-Term Services and Supports for Medicaid Enrollees." ASPE, Jan. 2025. <https://aspe.hhs.gov/sites/default/files/documents/ad7cf66fb2a7ae1a0bd91b288363fc71/rebalancing-ltss-medicaid-enrolled-brief.pdf>. Accessed 15 Feb. 2026.

### **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

Aloha Chair, Vice Chair, and Esteemed Committee Members,

My name is Leonora Gamboa, and I am a caregiver who serves Hawaii's kupuna with dedication and perseverance every single day.

Caring for our elders is more than a job—it is a responsibility rooted deeply in our culture. Our kupuna raised families, built communities, and shaped the Hawaii we cherish today. They deserve to age with dignity in the comfort of their own homes, surrounded by familiarity and compassion.

Yet many of us caregivers struggle to make ends meet. The work is physically demanding, emotionally intensive, and requires patience, training, and heart.

Despite this, Medicare and Medicaid reimbursement rates remain too low to reflect the true value and cost of providing quality home and community-based care. Many caregivers are forced to work multiple jobs or leave the profession entirely, creating shortages that directly impact our elders.

I respectfully urge you to support and pass SB3324 to increase funding for Medicaid home and community-based services for Hawaii's kupuna. This bill is not just about numbers in a budget, it is about sustaining a workforce that allows our elders to remain safely at home, prevents unnecessary institutionalization, and honors our cultural commitment to caring for one another.

Investing in caregivers is investing in our kupuna, our families, and the future of Hawaii. Please stand with us and ensure that those who provide this essential care are fairly compensated and supported.

Thank you for your time, your leadership, and your commitment to our community.

Leonora C Gamboa  
CCFFH Operator  
PH3 Member  
(808)7770842

**SB-3324**

Submitted on: 2/24/2026 12:10:22 AM

Testimony for WAM on 2/25/2026 10:57:00 AM

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

Comments:

I, Johnnie-Mae L. Perry, Support

3324 SB RELATING TO MEDICAID.

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

From: Veronica Moore, Individual Citizen

Date: February 24, 2026

RE: Senate Bill 3324  
Measure Title: RELATING TO MEDICAID.  
Report Title: DHS; Medicaid; Med-QUEST; Home- and Community-Based  
Services; Residential Services; Community Care Foster Family Homes;  
Expanded Adult Residential Care Homes; Federal Matching Funds;  
Appropriation (\$)

To All Concerned,

My name is Veronica Moore and I support Senate Bill 3324. Thank you for your consideration.

Sincerely,

Veronica M. Moore

