



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 04/02/2026

Time: 02:00 PM

Location: 308 VIA VIDEOCONFERENCE

Committee: FIN

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB3325, HD2, RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS.

Purpose of Bill: Requires the Department of Education to establish an updated plan for maximizing Medicaid reimbursements for administrative and support services provided to students with special needs. Requires annual reports to the Legislature. Effective 7/1/3000. (HD2)

Department's Position:

The Hawai'i State Department of Education (Department) supports SB3325, SD1, HD2, as amended. This measure requires the development of an updated plan to strengthen Medicaid reimbursement processes for administrative and support services provided to students with special needs, along with annual reporting to the Legislature on implementation progress.

The amendments made to this measure address prior concerns by clarifying reporting expectations and aligning requirements with federal Medicaid claiming methodologies. These revisions provide a clearer structure for documenting services, monitoring implementation, and ensuring that reported information reflects accurate and meaningful data. Consistent reporting will support transparency and strengthen oversight while helping to guide ongoing improvements to the State's school-based Medicaid reimbursement efforts.

For these reasons, the Department respectfully supports SB3325, SD1, HD2. Thank you for the opportunity to provide testimony on this measure.



www.AlohaILHawaii.org

Apr 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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The Honorable Chris Todd, Chair
House Committee on Finance
The Thirty-Third Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

SUBJECT: SB3325 SD1 HD2 – Relating to Public School Medicaid Reimbursements

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) continues to **strongly support SB3325 SD1 HD2**. This measure now clarifies in statute that the Department of Education's updated plan must address concrete Medicaid claim requirements, including IEP-based service documentation, Medicaid eligibility confirmation, parental consent records, and use of licensed or appropriately supervised providers, as well as detailed annual reporting on students served, reimbursements received, and how funds are reinvested. These guardrails are essential to ensure that school-based Medicaid is implemented with transparency and fidelity while expanding supports for students with special needs, including disabled students with significant mental health and behavioral health needs, to learn in their neighborhood schools in the most inclusive settings possible.

From an Independent Living perspective, we urge DOE and Med-QUEST to implement this updated plan in ways that maximize federal reimbursement without creating new administrative burdens for families, limiting services for students who are not Medicaid-eligible, or undermining IDEA obligations. As DOE develops training materials and procedures under SB3325 SD1 HD2, AILH encourages the State to center student and family voice, protect meaningful parental consent, and reinvest Medicaid dollars into counseling, behavioral supports, related services in IEPs, and



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coordination that help disabled students remain in their home communities and participate fully in school life across all complex areas.

Thank you for the opportunity to testify.

Mahalo,

Roxanne Bolden

Executive Director



COMMITTEE ON FINANCE
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

Thursday, April 2, 2026
TIME: 2:00 PM
VIA VIDEOCONFERENCE
Conference Room 308
State Capitol
415 South Beretania Street

**SUPPORT TO SB3325, SD1,HD2 RELATING TO PUBLIC SCHOOL MEDICAID
REIMBURSEMENTS**

Honorable Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

I am writing to express my strong support for SB3325 (SD1, HD2). This bill plays an important role in strengthening services for students with special needs by ensuring that the Department of Education maximizes available Medicaid reimbursements for eligible school-based services.

By requiring an updated plan and ongoing reporting, SB3325 (SD1, HD2) promotes greater accountability, transparency, and efficiency in how these funds are accessed and utilized. Importantly, it helps ensure that federal resources are fully leveraged to support critical services for students, including those with significant support needs, without placing additional strain on state resources.

This bill represents a thoughtful and practical step toward improving access to essential supports while enhancing oversight of how funds are reinvested to benefit students and schools.

Thank you for your consideration and for your continued commitment to supporting students with special needs.

Mahalo,
Marija Čolić, PhD, BCBA-D, LBA
Legislative Chair
Hawai'i Association for Behavior Analysis
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SB-3325-HD-2

Submitted on: 3/31/2026 2:45:50 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Siyuan Wang	Individual	Support	Written Testimony Only

Comments:

Support