



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

Date: 02/25/2026
Time: 10:57 AM
Location: CR 211 & Videoconference
Committee: WAM

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB3325, SD1, 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. (SD1)

Department's Position:

The Hawai'i State Department of Education (Department) supports SB3325, SD1, and provides comments. SB3325, SD1 requires the Department to develop an updated plan to maximize Medicaid reimbursement for administrative and support services provided to students with special needs and to submit annual reports to the Legislature.

To support clear and transparent reporting to the Legislature, the Department agrees with the reporting provisions of the bill except for the clarifying amendment requested below. Under federal Medicaid claiming rules, Medicaid administrative claiming is submitted quarterly as a statewide aggregate in accordance with Centers for Medicare & Medicaid Services (CMS) requirements, using a cost allocation methodology based on Medicaid-allowable time. Accordingly, administrative activities and reimbursement amounts cannot be reported at the complex area level, while direct service claims may be reported in that manner.

To ensure the annual report accurately reflects Medicaid data, the Department respectfully requests an amendment to page 4, section 5(b), lines 13–15, to read as follows:

(B) ~~Number of eligible administrative and support services provided, classified by complex area~~ Medicaid reimbursement amount received for direct services by complex area and administrative services state-wide.

This amendment eliminates ambiguity in the reporting requirement, aligns statutory language with CMS required Medicaid claiming methodologies, and enables the Department to produce a meaningful annual report without mischaracterizing service delivery or funding outcomes.

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



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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The Thirty-Third Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association

February 25, 2026

S.B. 3325— RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provides the following comments regarding S.B. 3325 which 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.

One of the group of employees already completing Medicaid reimbursements for the Department of Education is the Speech Language Pathologist (SLP) of Bargaining Unit 13. The SLP's use their personal Social Security Number and National Provider Identifier (NPI) number for these reimbursements. SLP's are required to maintain this NPI number and pay yearly registration costs without any reimbursements from the DOE. SLP's have already generated millions of dollars for the DOE through Medicaid reimbursements without receiving any compensation for the additional workload. If the DOE is going to maximize Medicaid reimbursements, a portion of that revenue should be reinvested into the employees generating it.

Thank you for the opportunity to provide comments regarding S.B. 3325.

Respectfully submitted,

Randy Perreira
Executive Director

SB-3325-SD-1

Submitted on: 2/24/2026 12:15:44 AM

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

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

Comments:

I, Johnnie-Mae L. Perry, Support

3325 SB RELATING TO PUBLIC SCHOOL MEDICAID REIMBURSEMENTS