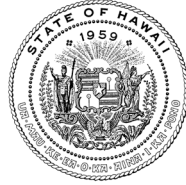


JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



JADE T. BUTAY  
DIRECTOR

WILLIAM G. KUNSTMAN  
DEPUTY DIRECTOR

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
KA 'OIHANA PONO LIMAHAHA

March 25, 2026

To: The Honorable Joy A. San Buenaventura, Chair,  
The Honorable Angus L.K. McKelvey, Vice Chair, and  
Members of the Senate Committee on Health and Human Services

The Honorable Jarrett Keohokalole, Chair,  
The Honorable Carol Fukunaga, Vice Chair, and  
Members of the Senate Committee on Commerce and Consumer  
Protection

Date: Wednesday, March 25, 2026  
Time: 10:00 a.m.  
Place: Conference Room 229, State Capitol

From: Jade T. Butay, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.C.R. 50 ESTABLISHING THE HAWAII HEALTH PLAN WORKING GROUP TO  
DESIGN AND RECOMMEND A BASIC, AFFORDABLE HAWAII HEALTH PLAN  
AVAILABLE TO EVERY RESIDENT OF THE STATE.**

Chairs San Buenaventura and Keohokalole, Vice Chairs McKelvey and Fukunaga, and Members of the Senate Committee on Health and Human Services and Commerce and Consumer Protection:

The **DLIR offers comments** on this Resolution. The Department cautions that a basic, affordable Hawai'i health plan that would be available to every resident of the state could adversely impact the health care coverage that Hawai'i workers currently have. The DLIR seeks clarification on whether the working group's proposed plan must comply with the Prepaid Health Care (PHC) law, including the requirement for DLIR approval. If the plan is exempt from PHC standards, it could establish a lower tier of coverage. This may incentivize employers to shift employees from comprehensive private plans to the state-designed affordable option, potentially diminishing the standard of care for Hawaii's workforce.

Additionally, Hawai'i could risk losing its exemption under the Employee Retirement Income Security Act (ERISA). Congress amended ERISA in 1983 to grant Hawai'i this exemption because the PHC law provides more robust health care benefits to residents. If Hawai'i significantly weakens its mandate or creates a state-run "basic" plan that does

not meet PHC standards, it could be argued that the State is no longer maintaining the specific regulatory framework that justified the original federal exemption.

PHC law, HRS Chapter 393, requires employers to provide medical coverage to employees who work at least 20 hours per week for four consecutive weeks and earn at least 86.67 times the State's minimum wage. The health plan with the largest number of subscribers in the State establishes the standard for required benefit levels. Other plans must be approved by the DLIR before they can be offered to employers. Approval may be granted if a plan provides benefits equal to the benchmark plan, or if the employer contributes at least half the cost of dependent coverage when offering a plan with aggregate benefits that are limited in comparison to the plan with the most subscribers.

Equal Opportunity Employer/Program  
Auxiliary aids and services are available upon request to individuals with disabilities.  
TDD/TTY Dial 711 then ask for (808) 586-8842.

Charlotte A. Carter-Yamauchi  
Director

Shawn K. Nakama  
First Assistant

Research 808-587-0666  
Revisor 808-587-0670



LEGISLATIVE REFERENCE BUREAU  
State of Hawaii  
State Capitol, Room 446  
415 S. Beretania Street  
Honolulu, Hawaii 96813

## Written Comments

### **SCR50/SR49**

## **ESTABLISHING THE HAWAII HEALTH PLAN WORKING GROUP TO DESIGN AND RECOMMEND A BASIC, AFFORDABLE HAWAII HEALTH PLAN AVAILABLE TO EVERY RESIDENT OF THE STATE.**

Charlotte A. Carter-Yamauchi, Director  
Legislative Reference Bureau

Presented to the Senate Committees on Health and Human Services and  
Commerce and Consumer Protection

Wednesday, March 25, 2026, 10:00 a.m.  
Conference Room 229 & Via Videoconference

Chairs San Buenaventura and Keohokalole and Members of the Committees:

Good morning, Chairs San Buenaventura and Keohokalole and Members of the Committees, my name is Charlotte Carter-Yamauchi, and I am the Director of the Legislative Reference Bureau (Bureau). Thank you for providing the opportunity to submit written comments on S.C.R. No. 50/S.R. No. 49, Establishing the Hawaii Health Plan Working Group to Design and Recommend a Basic, Affordable Hawaii Health Plan Available to Every Resident of the State.

The purpose of these measures is to:

- (1) Establish the Hawaii Health Plan Working Group;
- (2) Specify the membership of the Working Group, which is to include the Chairs of the Standing Committees of the Senate and House of Representatives having primary jurisdiction over health, or the Chairs' designees, who shall serve as co-Chairs of the Working Group;

- (3) Request that the Working Group consider and follow the provisions of House Bill No. 1789 and Senate Bill No. 3243, both of the Regular Session of 2026, regarding the values, principles, scope of design of the Hawaii Health Plan, and general nature of the system to be developed;
- (4) Request that the Legislative Reference Bureau assist in preparing any legislation proposed by the Working Group; provided that the Working Group shall provide a draft of any legislation to the Bureau no later than October 15, 2026;
- (5) Request that the Working Group submit to the Legislature a report of its findings and recommendations for the design of the Hawaii Health Plan, including any proposed legislation, no later than twenty days prior to the convening of the Regular Session of 2027; and
- (6) Terminate the Working Group on June 30, 2027.

The Bureau takes no position on these measures and submits the following comments for your consideration.

The Bureau believes that the services requested of the Bureau under these measures as they are currently drafted are manageable, provided that the Bureau's interim workload is not adversely impacted by too many other additional responsibilities, such as conducting studies, writing or finalizing other reports, drafting legislation, or any combination of these for the Legislature or for other state agencies, task forces, or working groups that may be requested or required under other legislative measures.

Thank you again for your consideration.



# HOALOHA PROJECT

*Serving foster keiki of Hawai'i*

Aloha Chair San Buenaventura, Chair Keohokalole, and Members of the Committees,

Hoaloha Project strongly supports SCR 50, establishing the Hawaii Health Plan Working Group to explore a basic, affordable health plan for all residents.

Many of the youth we serve—especially those in or transitioning out of foster care—have significant unmet health needs. Studies show that approximately **80% of foster youth experience mental health challenges, 70–92% have at least one chronic health condition, and nearly 40% face serious dental issues.** Consistent access to affordable healthcare is critical to their stability and long-term well-being.

SCR 50 is a proactive step toward addressing coverage gaps and ensuring vulnerable populations are not left behind. A collaborative working group will help develop thoughtful, locally informed solutions.

We respectfully urge your support for SCR 50.

Mahalo nui,

*Ku'u Pasco*

Ku'u Pasco  
Executive Director  
Hoaloha Project





[www.AlohaILHawaii.org](http://www.AlohaILHawaii.org)

Mar 25, 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.

#### EXECUTIVE DIRECTOR

Roxanne U. Bolden

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Scott Suzuki  
Sheila Castaneda  
Jennifer Hartssock

The Honorable Joy A. San Buenaventura, Chair  
Senate Committee on Health and Human Services  
The Honorable Jarrett Keohokalole, Chair  
Senate Committee on Commerce and Consumer Protection  
The Thirty-Third Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

**SUBJECT:** SCR50 – Establishing the Hawaii Health Plan Working Group to Design and Recommend a Basic, Affordable Hawaii Health Plan Available to Every Resident of the State

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) is a statewide, cross-disability Center for Independent Living that supports people of all ages with disabilities to live, work, and participate in their communities. AILH **supports the intent of SCR50** to establish the Hawaii Health Plan Working Group to design and recommend a basic, affordable Hawaii Health Plan available to every resident of the State, especially in light of the loss of enhanced federal Premium Tax Credits and increased Medicaid work requirements that are expected to leave more Hawaii residents uninsured.

From an Independent Living perspective, any new Hawaii Health Plan must be designated with meaningful participation from people with disabilities and consumer-controlled organizations, including Centers for Independent Living such as AILH. Therefore, we respectfully request that the working group membership be amended to add at least one representative from a cross-disability, consumer-controlled organization and at least one consumer with a disability who has experienced gaps in health coverage, and that the working group's charge explicitly include accessibility,



[www.AlohaILHawaii.org](http://www.AlohaILHawaii.org)

#### **MISSION**

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

#### **EXECUTIVE DIRECTOR**

Roxanne U. Bolden

#### **BOARD OF DIRECTORS**

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##### **Treasurer**

Jonathan Yap

##### **Member**

Scott Suzuki  
Sheila Castaneda  
Jennifer Hartssock

nondiscrimination, and coverage of long-term services and supports that enables people with disabilities to live in the community.

Thank you for the opportunity to testify.

Mahalo,

Roxanne Bolden

Executive Director



**Testimony to the Senate Joint Committee on Health and Human Services and  
Commerce and Consumer Protection  
Wednesday, March 25, 2026; 10:00 a.m.  
State Capitol, Conference Room 225  
Via Videoconference**

**RE: SENATE CONCURRENT RESOLUTION NO. 050/SENATE RESOLUTION NO. 049 --  
ESTABLISHING THE HAWAII HEALTH PLAN WORKING GROUP TO DESIGN AND  
RECOMMEND A BASIC AFFORDABLE HAWAII HEALTH PLAN AVAILABLE TO EVERY  
RESIDENT OF THE STATE.**

Chair San Buenaventura, Chair Keohokalole, and Members of the Joint Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Concurrent Resolution No. 050 and Senate Resolution No. 049 -- ESTABLISHING THE HAWAII HEALTH PLAN WORKING GROUP TO DESIGN AND RECOMMEND A BASIC AFFORDABLE HAWAII HEALTH PLAN AVAILABLE TO EVERY RESIDENT OF THE STATE., and **OFFERS A FRIENDLY AMENDMENT.**

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

**I. The Problem**

During the interim following the Adjournment Sine Die of the 2025 Regular Session, four (4) events took place that have enormous ramifications on Hawaii's social safety net. These were:

- The enactment of House Resolution No. 1 (H.R. 1), the "One Big Beautiful Bill" Act, which was signed into law on July 4, 2025;

**Testimony on Senate Concurrent Resolution No. 050/Senate Resolution No. 049**

**Wednesday, March 25, 2026; 10:00 a.m.**

**Page 2**

- The expiration of Enhanced Affordable Care Act (ACA) premium tax credits on December 31, 2025;
- The reversal of interpretation of "federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, or "PRWORA", by the United States Department of Health and Human Services; and
- The announcement that the Center for Medicare and Medicaid Services will share personal data of Medicaid enrollees to Immigration and Customs Enforcement officials.

In tandem, these developments will fundamentally alter Hawaii's Medicaid Program by shifting current ACA insureds and Medicaid recipients to the uninsured population. Among other things, H.R. 1 will:

- Prohibit the use of federal matching funds for health care services to immigrants not lawfully present under federal law, effective October 1, 2026;
- Establish work or volunteer requirements for all Medicaid recipients of at least 80 hours per month (or 20 hours per week), effective December 31, 2026; and
- Require redeterminations for every Medicaid recipient every six-months, also effective December 31, 2026.

The expiration of the ACA premium tax credits will:

- Lead to enrollee premium payments to increase by over 75%;
- Lead to households earning over 400% of the federal poverty level (\$63,000 for individuals and \$129,000 for a family of four) no longer receiving any premium tax credits; and
- Force states to provide additional state-funded subsidies to soften the financial impact.

Currently, Hawaii's uninsured population is estimated to be 38,400 or 2.8% of the total population. Based on research provided by the Kaiser Family Foundation as well as our review of Medicaid enrollment historically in Hawaii, **we believe the uninsured population will at least double within two to three years if nothing is done.**

Without health insurance coverage, citizens will no longer be able to manage chronic disease such as diabetes, high blood pressure, and other maladies. When they become ill, they will not get treated until the situation becomes so bad that they will need to go to a provider for emergency treatment. By then, the illness has become much more severe and costly to remedy. Also, by law, the emergency provider will have to provide stabilizing treatment to the patient regardless of the patient's ability to pay. These costs will subsequently be borne by the provider, creating additional stress to the safety net that is already facing reduced funding and reimbursement.

In the worst-case scenario, hospitals and FQHCs will not be able to treat the increase in indigent patients. While federal law requires FQHCs to provide services to all patients who are not eligible for Medicaid or private insurance on a sliding fee scale based on their ability to pay, federal grant funding to offset these costs were not adjusted to address the increase that will occur. As such, should Hawaii experience the largest projected increase in uninsured (and assuming that the level of services currently provided remains the same), FQHCs will run out of funds within two to three months.

## **II. A Possible Solution**

On December 19, 2025, this Joint Committee was briefed by MedQUEST and the State Health Planning and Development Agency (SHPDA) on the impacts of these federal policy changes. During that briefing, SHPDA Administrator Jack Lewin stated that during the Waihee Administration, the Department of Health ran a very successful program that provided coverage for persons who could not obtain employer-sponsored health insurance under the Prepaid Health Care Act, but were not eligible for Medicaid because of income restrictions. This coverage offered a significantly reduced package of benefits (i.e., up to 6 doctor visits and some prescription drugs) and was provided by Medicaid managed care plans under an agreement with the State. According to Dr. Lewin, the State agreed to cover loss costs that go beyond a certain level. However, Lewin stated that loss costs never reached that point and that the expenditure of additional general funds were not necessary.

When the State established the MedQUEST Program, the "gap group" coverage was transferred from the Department of Health to the Department of Human Services. However, according to Meredith Nichols, acting MedQUEST Administrator, when the Center for Medicare and Medicaid Services reviewed the coverage for the "gap group", they disallowed MedQUEST from offering it citing the need for coverages offered under the State's Medicaid Program to meet certain baseline benefit standards.

Despite this, the Green Administration did not submit a bill as part of his Legislative Package that would reestablishment of the "gap group" coverage under the Department of Health. However, there are measures pending further action that could conceivably address this problem:

- House Bill No. 1546, House Draft 1, which would establish a three-year Health Coverage Continuity Pilot Program to assist individuals who have lost Medicaid health insurance coverage and lack access to other health insurance options;
- Senate Bill No. 2087, Senate Draft 2, the companion to House Bill No. 1547; and
- Senate Bill No. 2088, Senate Draft 1, House Draft 1, which would require the Department of Labor and Industrial Relations, in consultation with the Insurance Commissioner, to establish and implement a five-year voluntary Nontraditional Workforce Portable Health Care Benefit Plan Pilot Program that offers high deductible health plans or catastrophic health plans to nontraditional workers who are ineligible for health benefits provided by the Hawaii Employer-Union Health Benefits Trust Fund or prepaid health care plans under the Prepaid Health Care Act.

These measures would require the infusion of a significant amount of State funds to either capitalize a new insurance program, facilitate an agreement with an insurer to capitalize the risk, or subsidize thousands of Medicaid enrollees who will shortly be disenrolled and become uninsured.

### **III. High Stakes**

The establishment of a high deductible or catastrophic health plan could result in unintended consequences. Hawaii is the only state that requires employers to offer health insurance to employees who work more than 20 hours per week. Hawaii is able to do this because the Prepaid Health Care Act is exempted from federal preemption under the Employee Retirement Income Security Act of 1974. Hawaii retains this exemption so long as the substantive terms of the Prepaid Health Care Act are not materially changed.

It will be vital that the provision of a high deductible or catastrophic health plan not be construed by federal regulators as materially altering the Prepaid Health Care Act. Conceivably, this could happen if the implementation of such a program shifts the manner in which the Prepaid Health Care Act is enforced. Should that happen, such action could invalidate the preemption exemption that is necessary for the Prepaid Health Care Act to operate.

In addition, H.R. 1, includes provisions that require any program intended to replicate Medicaid benefits to a prohibited population be solely general funded. Violations of this could lead to the loss of more federal funding and the imposition of penalties to Hawaii's Medicaid Program.

Because of this, it will be vital for any program to address this problem be coordinated jointly by the Departments of Labor and Industrial Relations (Prepaid Health), Health (SHPDA), Human Services (Medicaid), and Commerce and Consumer Affairs (Private Insurance).

#### **IV. Recommendation**

In light of all this, the HPCA respectfully requests that the resolutions be amended to include as members of the Working Group:

- The Administrator of the MedQUEST Division of the Department of Human Services;
- The Director of Labor and Industrial Relations, or the Director's designee;
- A representative from the Healthcare Association of Hawaii, or its designee; and
- \* A representative from the Hawaii Primary Care Association, or its designee.

It will be vital that the working group includes key administrators overseeing Medicaid and the Prepaid Health Care Act. Also, because the vast majority of the new uninsured population will require essential health care services at some point at a hospital emergency room or an FQHC, it will be equally important that representatives from hospitals and FQHCs also be included.

#### **With these amendments, the HPCA supports these resolutions.**

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



March 25, 2026

The Honorable Joy A. San Buenaventura, Chair  
The Honorable Angus L.K. McKelvey, Vice Chair  
The Honorable Jarrett Keohokalole, Chair  
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health & Human Services and Committee on Commerce and Consumer Protection

**Re: SCR50/SR49 - ESTABLISHING THE HAWAII HEALTH PLAN WORKING GROUP TO DESIGN AND RECOMMEND A BASIC, AFFORDABLE HAWAII HEALTH PLAN AVAILABLE TO EVERY RESIDENT OF THE STATE.**

Dear Chair San Buenaventura, Chair Keohokalole, Vice Chair McKelvey, Vice Chair Fukunaga and Members of the Committees:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide comments on SCR50/SR49, which would establish the Hawaii Health Plan Working Group to design and recommend a basic, affordable Hawaii Health Plan available to every resident of the State.

HMSA appreciates the Legislature's ongoing efforts to address the uncertainty facing Hawai'i residents, particularly regarding access to healthcare amid ongoing federal-level changes that affect the affordability of health insurance premiums. We have been working closely with the State on solutions to address gaps that may result from ACA subsidies falling off and impacts on Medicaid.

Thank you for the opportunity to testify on these resolutions. .

Sincerely,

Walden Au  
Director of Government Relations

**SR-49**

Submitted on: 3/20/2026 5:11:45 PM

Testimony for HHS on 3/25/2026 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Leimomi Khan	Individual	Support	Written Testimony Only

Comments:

Support for all of the reasons stated in the resolution.

**SR-49**

Submitted on: 3/21/2026 11:39:21 AM

Testimony for HHS on 3/25/2026 10:00:00 AM

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

Comments:

I, Johnnie-Mae L. Perry, Comment

IRAN WAR IS COSTING TAXPAYERS 1BILLION \$ A DAY. HOW WILL FEDERAL FUNDING IMPACT THE SOH BUDGET?

49 SR ESTABLISHING THE HAWAII HEALTH PLAN WORKING GROUP TO DESIGN AND RECOMMEND A BASIC, AFFORDABLE HAWAII HEALTH PLAN AVAILABLE TO EVERY RESIDENT OF THE STATE.

**LATE**

**SR-49**

Submitted on: 3/25/2026 1:02:36 AM

Testimony for HHS on 3/25/2026 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Theresa Armbruster	Individual	Oppose	Written Testimony Only

Comments:

OPPOSE SCR50 & SR49--Universal Healthcare

I Oppose a taxpayer-funded universal healthcare plan for several reasons:

Increase taxes to cover rising healthcare costs

Increased premiums to consumers as costs are passed onto them

Limited personal choices & reduced competition among providers

Mandated coverage requirements--forcing consumers to pay for services they don't want or need

Reduced quality of care due to cost-cutting measures

NO state has successfully implemented a comprehensive taxpayer-funded universal healthcare plan because of significant funding constraints, much opposition and lack of public support

OPPOSE SCR50 & SR49

Mahalo