

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 LAWE LAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 8, 2025

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 322 – RELATING TO MEDICAID.**

Hearing: Monday, February 10, 2025, Time 1:20 p.m.
Conference Room 225 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure and offers comments.

PURPOSE: The purpose of the bill is to appropriate funds to the Department of Human Services to achieve the full funding, including estimated payment increases, of Medicaid home and community-based services.

DHS previously received funding to increase reimbursement rates for Home and Community Based Services based on rate studies conducted by DHS' Med-QUEST Division's (MQD) consulting actuaries and submitted to the Legislature prior to the 2023 and 2024 Legislative sessions. Those rate studies presented three options for levels of funding – Low, Medium, and High. The Low option was funded by the Legislature, which increased the Level 1 and Level 2 per diem rates for both Oahu and the Neighbor Islands, as well as increasing the rates for Adult Day services. In addition, DHS has an executive budget request this Legislative session to increase rates for In-Home services up to the Low option amount detailed in the rate study, which totals \$23.8M, including \$14.06M N funds. The state fund appropriation of

\$9.74M has already been allocated to Med-QUEST Division's (MQD) program ID for Health Care Payments HMS 401. If full funding represents the High option from the rate studies, then additional funding totaling \$35 million (\$14.3 million state funds/\$20.7 million federal funds) would be needed to fund the High option.

DHS respectfully requests an amendment deleting from Section 2, page 4, line 21 through page 5, line 5:

~~"...provided that the department of human services shall obtain the maximum federal matching funds available for this expenditure; provided further that the department of human services shall pursue all funding sources known to the State, including private grants, prior to expending any general revenues appropriated pursuant to this Act."~~

Medicaid funding includes federal matching and state funds for every covered Medicaid expenditure. Also, federal Medicaid matching rates are set by the federal government, and all covered Medicaid expenditures automatically have the appropriate federal matching rate applied. Thus, the mandate to obtain "maximum federal matching funds" is unnecessary and would complicate the implementation of any reimbursement increases. Further, private grants are not allowed to be the state fund portion of Medicaid expenditures. Thus, we respectfully request that these clauses be deleted.

DHS respectfully requests that this program and appropriation not conflict with, reduce, or replace priorities identified in the executive budget.

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



1001 Bishop Street | Suite 625 | Honolulu, HI 96813-2830
1-866-295-7282 | Fax: 808-536-2882
aarp.org/hi | aarphi@aarp.org | twitter.com/AARPHawaii
facebook.com/AARPHawaii

**The State Legislature
Senate Committee on Health and Human Services
Monday, February 10, 2025
Conference Room 225, 1:20 p.m.**

TO: The Honorable Joy San Buenaventura, Chair
FROM: Kealii Lopez, AARP State Director
RE: Support for S.B. 322 Relating to Medicaid

Aloha Chair San Buenaventura 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 supports S.B. 322 which appropriates funds to the Department of Human Services to achieve the full funding, including estimated payment increases of Medicaid home and community based services.

This bill expands Medicaid coverage to include a broader range of community-based services, addressing the diverse needs of individuals in the community. By including mental health services, substance abuse treatment, and other support programs, this bill promotes a holistic approach to healthcare. Furthermore, expanding coverage ensures that more individuals have access to essential services, improving overall health outcomes and quality of life.

Thank you for the opportunity to support this legislation that will the benefit of Hawaii's residents and their caregivers.

SB-322

Submitted on: 2/6/2025 10:22:24 AM

Testimony for HHS on 2/10/2025 1:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Kaili	Individual	Support	In Person

Comments:

I am in strong support of the measure beacuse I have a Medicaid program to pay my medical and community based programs like CLS-I Based provider and if I don't have Medicaid the cost will be more expensive and I can't afford to pay please pass this bill thank you

SB-322

Submitted on: 2/4/2025 7:20:31 PM

Testimony for HHS on 2/10/2025 1:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy D Moser	Individual	Support	Written Testimony Only

Comments:

In SUPPORT of SB 322.

Aloha Chair and members of the Committee,

Please vote YES on this measure.

Nancy Moser in Waikoloa on Hawai'i Island