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## HOUSE CONCURRENT RESOLUTION

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URGING THE GOVERNOR TO DETERMINE A COURSE OF ACTION FOR THE  
STATE, SHOULD THE FEDERAL GOVERNMENT CUT FUNDING FOR  
MEDICAID.

1 WHEREAS, Medicaid provides comprehensive health and long-  
2 term care to more than seventy-two million Americans with  
3 limited income and resources who meet eligibility requirements,  
4 including children, adults, seniors, and people with  
5 disabilities; and  
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7 WHEREAS, Hawaii's state Medicaid program, Med-QUEST,  
8 provides health care coverage to approximately one in five  
9 Hawaii residents and one in three children and serves as a  
10 cornerstone of Hawaii's health care infrastructure and a  
11 lifeline for vulnerable population; and  
12

13 WHEREAS, in fiscal year 2023, the total Medicaid spending  
14 in Hawaii was \$3,000,000,000, of which seventy-three percent was  
15 paid by the federal government, which highlights the impact  
16 federal funding has on Medicaid services in the State; and  
17

18 WHEREAS, Federally Qualified Health Centers (FQHCs) are  
19 federally funded entities that meet certain requirements,  
20 including providing care to patients regardless of the ability  
21 to pay; and  
22

23 WHEREAS, Hawaii's FQHCs provide critical health care  
24 services at over one hundred sites; in 2023 they served 158,448  
25 patients, including over forty-five thousand children, twenty-  
26 five thousand kupuna, 7,520 individuals experiencing  
27 homelessness, 3,568 veterans, and 1,744 agricultural workers,  
28 which demonstrates the wide-ranging impact and reach FQHCs have  
29 amongst the most vulnerable groups in the State; and  
30



1 WHEREAS, Hawaii's FQHCs predominately serve low-income  
2 populations, with over fifty percent of patients seen at FQHCs  
3 living below the federal poverty level and fifty-seven percent  
4 insured through Medicaid, which highlights Medicaid's  
5 indispensable role in enabling care for Hawaii's underserved  
6 communities; and

7  
8 WHEREAS, Hawaii's FQHCs provide high-quality, cost-  
9 effective care that reduces overall health expenditures in the  
10 State; for example, in 2023, medical expenditures were reduced  
11 by twenty-four percent for Hawaii Medicaid patients who received  
12 services at an FQHC compared to Medicaid patients who received  
13 care via other providers, which generated about \$215,800,000 in  
14 savings to Medicaid and \$301,000,000 in savings to the overall  
15 health system; and

16  
17 WHEREAS, Hawaii's FQHCs also stimulate the State's economy;  
18 for example, in 2023, FQHCs employed two thousand ten staff  
19 directly and supported 3,594 total jobs, which generated over  
20 \$23,100,000 for state and local tax revenues and had a total  
21 economic impact of over \$580,300,000; and

22  
23 WHEREAS, in February 2025, a budget resolution was passed  
24 by the United States House of Representatives that approved a  
25 drastic reduction for Medicaid funding of more than  
26 \$800,000,000,000 over the next ten years and elimination of the  
27 federal Patient Protection and Affordable Care Act (ACA)  
28 expansion match rate, which would drastically curtail federal  
29 support for Hawaii's health care programs and the Medicaid-  
30 enrolled population; and

31  
32 WHEREAS, a study by the Kaiser Family Foundation, a  
33 nonpartisan organization that researches and reports on health  
34 policy in the United States, examined the impact of eliminating  
35 the ACA Medicaid expansion, wherein the federal government pays  
36 ninety percent of the costs for Medicaid expansion enrollees,  
37 under two scenarios:

- 38  
39 (1) Assuming that all expansion states maintain Medicaid  
40 expansion coverage and pick up new expansion costs,  
41 federal Medicaid spending would decrease by ten  
42 percent (or \$626,000,000,000) and state Medicaid



1 spending would increase by seventeen percent (or  
2 \$626,000,000,000) over a 10-year period; and  
3

- 4 (2) Assuming that all states drop the ACA Medicaid  
5 expansion coverage in response to the elimination of  
6 the ninety percent federal match rate, federal  
7 Medicaid spending would decrease by twenty-five  
8 percent (or \$1,700,000,000,000), and state Medicaid  
9 spending would decrease by five percent (or  
10 \$186,000,000,000) over a ten-year period; and  
11

12 WHEREAS, under the second scenario, total Medicaid spending  
13 would be cut by nearly one-fifth (or \$1,900,000,000,000), and  
14 nearly a quarter of all Medicaid enrollees, twenty million  
15 people nationally, would lose coverage; and  
16

17 WHEREAS, only states that have adopted the Medicaid  
18 expansion would see any spending or enrollment impacts under  
19 this policy proposals, though changes would vary by state; and  
20

21 WHEREAS, according to the study, if Hawaii picked up the  
22 new expansion costs under scenario 1, the anticipated loss of  
23 federal funding per fiscal year that would need to be offset by  
24 State funds is \$3,200,000,000; and  
25

26 WHEREAS, under scenario 2, in which Hawaii would drop  
27 Medicaid expansion coverage, federal Medicaid funding would  
28 decrease by \$9,400,000,000 while state Medicaid funding would  
29 decrease by \$1,000,000,000 annually and result in one hundred  
30 fifty-six thousand people, or thirty-four percent of Hawaii's  
31 total Medicaid population, losing coverage; and  
32

33 WHEREAS, if Hawaii maintains Medicaid expansion coverage in  
34 the wake of this policy change, lawmakers will need to increase  
35 the general fund appropriation to HMS401 on a continual basis or  
36 find new sources of funding for this vital program; and  
37

38 WHEREAS, such severe cuts to Medicaid would have dire  
39 consequences for the State and FQHCs, such as reducing health  
40 coverage for Medicaid patients, increasing the number of  
41 uninsured individuals, decreasing access to care, and reversing  
42 positive health outcomes associated with Medicaid expansion; and



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2 WHEREAS, the federal government has also initiated massive  
3 reductions in the federal workforce that will increase the  
4 number of uninsured workers and their families in the State,  
5 which will have a significant impact on Hawaii's Medicaid  
6 program; now, therefore,  
7

8 BE IT RESOLVED by the House of Representatives of the  
9 Thirty-third Legislature of the State of Hawaii, Regular Session  
10 of 2025, the Senate concurring, that the Governor is urged to  
11 determine a course of action for the State, should the federal  
12 government cut funding for Medicaid; and  
13

14 BE IT FURTHER RESOLVED that the Governor is urged to  
15 consult with the members of Hawaii's congressional delegation to  
16 ascertain the impacts of pending federal legislation on Medicaid  
17 expansion and the timing of any reduction in federal funding;  
18 and  
19

20 BE IT FURTHER RESOLVED that the Governor is requested to  
21 submit a report of any findings and recommendations, including  
22 proposed legislation, to the Legislature no later than twenty  
23 days prior to the convening of the Regular Session of 2026; and  
24

25 BE IT FURTHER RESOLVED that certified copies of this  
26 Concurrent Resolution be transmitted to each respective member  
27 of Hawaii's congressional delegation, the Governor, Director of  
28 Commerce and Consumer Affairs, Director of Health, Director of  
29 Human Services, and Director of Finance.  
30  
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32

OFFERED BY:



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