



**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

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GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

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ADMINISTRATOR'S REPORT
June 2026

Subarea Health Planning Councils (SACs)

Hawaii County Subarea Health Planning Council (HCSAC)

Honolulu Subarea Health Planning Council (HONSAC)

Kauai County Subarea Health Planning Council (KCSAC)

Tri-Isle Subarea Health Planning Council (TISAC)

West Oahu Subarea Health Planning Council (WOSAC)

Windward Oahu Subarea Health Planning Council (WISAC)

Hawaii No scheduled meeting/Did not meet in May 2026
Next meeting is scheduled on June 5, 2026

Honolulu No scheduled meeting/Did not meet in May 2026
Next meeting is scheduled on June 1, 2026

Kauai Date of Meeting: May 20, 2026
Discussions:

- Federal health grants — Hawai'i is receiving major AHEAD and RHTP funding that will drive statewide payment reform, workforce expansion, and rural health improvements.
- Statewide health system upgrades — Hawai'i is modernizing its infrastructure through interoperable EHR systems and a new CIN/MSO to support value-based care.
- Council involvement — Council input will directly influence how these funds impact Kaua'i, requiring more frequent meetings and participation in the HMSA–HPH review process.

Next meeting will be in July

Tri-Isle No scheduled meeting/Did not meet in May 2026
Working to confirm next meeting in June and/or July

West Oahu

Date of Meeting: May 22, 2026

Discussions:

- AHEAD Grant — The AHEAD program launches in 2028, with WOSAC advising on effective use of federal funds and the potential to bring \$200M annually to Hawai'i providers as the state shifts toward alternative payment models.
- Rural Health Transformation — Hawai'i must contract \$70M by September 30 for EHR upgrades, telehealth, EMS, respite housing, and value-based care preparation, with SHPDA distributing funds to hospitals, FQHCs, and independent providers.
- Legislative & Regulatory Updates — SHPDA reported key legislative wins, upcoming APCD reporting, and the required Section 7 review of the HMSA–HPH partnership, which will include public hearings and a determination based on the best interest of Hawai'i's people and providers.

Next Meeting will be in July

Windward Oahu

Date of Meeting: May 20, 2026

Discussions:

- Legislative outcomes — Dr. Lewin highlighted key bills passed this session, including expanded cancer screening access, mandated CGM coverage, statewide hearing-loss assessment, kupuna support programs, psychologist prescribing pilot, and medical-debt relief.
- Federal funding initiatives — Hawai'i is receiving major federal investments through the AHEAD and Rural Health Transformation programs, bringing hundreds of millions annually to support value-based care, primary care expansion, and statewide health system modernization.
- SHPDA priorities — SHPDA will oversee significant funding for EHR upgrades, interoperability, rural value-based care preparation, and will rely on advisory councils for consumer input and upcoming partnership review processes.

Next meeting will be in July

For a complete list of available meeting minutes go to <https://health.hawaii.gov/shpda/public-meeting-minutes/>.

Statewide Health Coordinating Council (SHCC)

No scheduled meeting/Did not meet in May 2026

Next meeting will be in July

For a complete list of available meeting minutes go to <https://health.hawaii.gov/shpda/public-meeting-minutes/>.

Statewide Health Coordinating Council-Plan Development Committee (PDC)

No scheduled meeting/Did not meet in May 2026

Next meeting has not been scheduled

For a complete list of available meeting minutes go to <https://health.hawaii.gov/shpda/public-meeting-minutes/>.

Advisory Councils

Health Data Advisory Council

Keiki Advisory Council (Discontinued)

Kupuna Advisory Council

Universal Access Advisory Council

Data No scheduled meeting/Did not meet in May 2026
Working to confirm next meeting in June and/or July

Kupuna No scheduled meeting/Did not meet in May 2026
Working to confirm next meeting in June and/or July

Universal Access No scheduled meeting/Did not meet in May 2026
Working to confirm next meeting in July

For a complete list of available meeting minutes go to <https://health.hawaii.gov/shpda/public-meeting-minutes/>.

Prior Authorization Working Group (PAWG)

No scheduled meeting/Did not meet in May 2026

Working to confirm next meeting in June and/or July

For a complete list of available meeting minutes go to <https://health.hawaii.gov/shpda/public-meeting-minutes/>.

Health System Reform

Health system reform in Hawai'i is continuing to steadily progress on many fronts as described last month. More than 30 healthcare related legislative bills successfully passed this session and are now becoming law. The AHEAD grant continues to progress. Also, the Rural Health Transformation Program (RHTP) is rapidly moving toward issuing

Health System Reform *(continued)*

procurements to encumber the first grant year's funding of \$189M, while the state also begins planning for the second year of funding -- which begins October 1, 2026, and runs through September 30, 2027. SHPDA has responsibility for \$70M/year of these precious new funds. It's a bit hectic; but things are moving.

The CMS federal officers overseeing Hawaii's RHTP grants conducted their first site visit to Hawai'i and seemed pleased with our progress and vision. They visited Waimanalo, Moloka'i, Lana'i, rural Maui, UH, JABSOM, and met with representatives of all six RHTP buckets, including with SHPDA regarding our RHIN and RVBI programs. New funding requests are coming in rapidly for the second year of upcoming RHTP programs.

SHPDA's six Subarea (geographic) Health Advisory Councils and our State Health Coordinating Council will be increasingly busy in the future as the official consumer/public advisory bodies named in the two federal grants for the Centers for Medicare and Medicaid Services (CMS) to address questions they may have about our performance as a state with respect to the CMS investments in AHEAD and RHTP.

Meanwhile on the local front, our entire statewide physician community is stressing about the 60-day rapidly payment change for primary care announced by HMSA. From SHPDA's view, and shared by our AHEAD partners at Med-QUEST, HMSA deserves credit for having developed eight years back a pioneering value-based, capitated advanced payment model for primary care providers statewide. It parallels in many ways the vision of the AHEAD grant.

Also, HMSA has announced an abrupt change from their patient transformation capitated primary care payment model back to the former fee-for-service approach, causing an uproar of concern from primary care providers that this will constitute a reduction in already strained practice income and viability. Given the attrition of primary care practices statewide already, and the increasing loss of physicians of all specialties to the mainland, this is a cause of great concern to SHPDA, to our advisory councils, and to the state at large.

SHPDA is working with HMSA to convey and attempt to address the concerns we are hearing from many physicians. We also note that any payment system can work if the reimbursement levels adequately support practice costs and provide a viable standard of living for physicians/clinicians and their employees. That can be so whether the payment model is based on salaries, FFS payments, capitation, or a combination. However, we also believe with our Med-QUEST partners that care coordination and quality improvement are best fostered by value-based payment models which the AHEAD grant also strongly supports. AHEAD implementation begins in January 2027.

Also, SHPDA's first legislatively mandated report on health insurer "prior authorization" (PA) continues to gain attention. It is posted on our website. The 2027 PA report will be

Health System Reform *(continued)*

even more comprehensive and will suggest meaningful ways to provide solutions to this problem.

While all this is transpiring, SHPDA is also statutorily required to opine on the One Health Hawai'i proposal of HPH and HMSA recently submitted to us. Once we ascertain that the application is complete, it will be posted on our website to allow for public input. This process is guided by the provisions of HRS 323D-77 in SHPDA's statutes and must be conducted within 90 days once the application is deemed complete.

I finally note that SHPDA is also preparing to celebrate our 50th anniversary this August. Almost nobody knows who we are or what we do; but our accomplishments, while largely invisible, are truly impressive. I am honored to work with the tiny but mighty staff we have here. They are impressive.

Mahalo nui loa to all, by Jack Lewin, MD

Research and Statistics

SHPDA's annual Healthcare Utilization Survey was due on May 31, 2026. As of May 31, 2026, the response rate was at 83.2%. Overdue notifications would be sent to healthcare facilities/providers that/who had not submitted their surveys by the deadline.

As required by the 2025 Act 151, SHPDA started to collect information on the prior authorization of healthcare services in January 2026. The preliminary reports for calendar years 2024 and 2025 are now available on SHPDA website.

The Hawaii Health Data Center (HHDC) Project Team

(Updates will be provided in the February, May, August, and November reports.)

Certificate of Need Applications

#25-10 Pacific Pearl Medical, LLC
Establishment of Positron Emission Tomography/Computed Tomography (PET/CT) scanner services at 800 Kamaaha Avenue, Unit #6 and #7, Kapolei, HI.
Waiting for applicant to submit amendments.

#25-11 Hawaii Island Sober Living, LLC
Establishment of 8 bed Special Treatment Facility at 73-4592 Hawaii Belt Rd., Kailua-Kona, HI.
Approved May 19, 2026.