

FEDERAL ACCOUNTABILITY

The \$2.3 Billion Question

Hawaii receives roughly \$2 to \$3 billion a year in federal healthcare funds. No one can tell you, by island, what those dollars actually buy.

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Ask the simplest possible question about federal healthcare spending in Hawaii and the answer disappears into a fog of agencies. How many primary-care visits did the last billion dollars produce on Molokai? How many physicians did it retain on Hawaii Island? How many ER visits did it prevent in Hana? The honest answer, today, is that no single agency, state or federal, can tell you.

Hawaii draws federal healthcare dollars from at least five major streams: Medicaid (administered through Med-QUEST under a Section 1115 demonstration), the Health Resources and Services Administration (HRSA) for community health centers and workforce programs, the Indian Health Service and Native Hawaiian Health Care Systems line, the Department of Veterans Affairs, and, beginning in federal fiscal 2026, the new CMS Rural Health Transformation Program (RHTP). Each stream reports up to a different federal office, on a different cycle, against a different definition of 'success.'

The aggregate is large. Med-QUEST alone covers roughly one in three residents of the state. HRSA's Bureau of Primary Health Care funds 14 federally qualified health center grantees serving more than 150,000 Hawaii patients a year. The CMS RHTP authorizes \$50 billion nationally over five years for rural health transformation, and Hawaii is an eligible state. Add VA medical care, IHS-line dollars, Medicare Advantage supplemental payments, and disaster supplementals, and the public price tag for federal healthcare in Hawaii sits comfortably in the \$2 to \$3 billion range every year.

WHAT WE CANNOT ANSWER

What that money produces is a different story. Pull the Med-QUEST 1115 annual report and you will find enrollment counts, encounter rates, and quality measures averaged across the state. Pull HRSA's Uniform Data System and you will find patient counts and select clinical measures by health center, but not by island and not aligned to Med-QUEST's geography. Pull the VA's facility-level data and you will find a separate universe entirely. There is no public, unified dashboard that ties federal dollars to access, workforce retention, and outcomes by island.

This is not a complaint about transparency in the abstract. It is a structural problem. Without a unified accountability layer, no one can answer questions that any taxpayer, any legislator, and any federal program officer has every right to ask: Are the dollars reaching the islands that need them most? Is workforce funded one year still in place three years later? Are emergency department visits for ambulatory-sensitive conditions going down where federal primary-care investment has gone up?

WHY THE NEW CMS RULE MATTERS

There is, finally, a forcing function. The CMS Rural Health Transformation Program, established under the One Big Beautiful Bill Act of 2025, requires participating states to submit detailed transformation plans and to report against standardized checkpoints. The program's metric reporting methodology, published in the CMS-10949 information collection (Checkpoint 2.3), requires applicants to specify, for each funded initiative,

the population served, the access metric improved, the workforce capacity changed, and the outcome measured.

Read carefully, that is the first time a federal healthcare program has required a state to publish, in a single place, the chain from dollar to outcome. RHTP applications were due to CMS by November 5, 2025, and CMS is expected to announce awards by December 31, 2025. Hawaii's application is on file.

WHAT HAWAII SHOULD BUILD, REGARDLESS OF THE AWARD

Whether or not Hawaii is among the funded states, the right response is the same: build the dashboard. A statewide federal-funds accountability layer would do four things that nothing in current state government does today.

First, it would inventory every federal healthcare dollar flowing to Hawaii by program, by year, and by island where the money is ultimately spent. Second, it would tie each dollar to a defined access or outcome metric drawn from existing federal datasets (HRSA UDS, CMS quality reporting, BRFSS, AHRQ). Third, it would publish progress quarterly, with island-level granularity, in a format the public and the press can actually use. Fourth, it would flag, in plain language, where dollars and outcomes are moving in opposite directions.

None of that requires new federal authority. It requires the state to decide that accountability for \$2 to \$3 billion a year is worth the cost of a competent data team.

THE POLITICAL PROBLEM

The reason this dashboard does not exist is not technical. The data, in fragmented form, is already public. The reason is political. A unified accountability layer would, by construction, surface uncomfortable answers: programs that have been funded for years without measurable improvement, islands that have been systematically under-served relative to their need, and grant cycles that end before outcomes can be evaluated. Every one of those findings has a constituency that would prefer the current fog.

That is precisely why the CMS RHTP requirement matters. For the first time, a federal program is conditioning future dollars on the kind of transparency Hawaii has been able to avoid for decades. The state can either treat that as a compliance burden or as the long-overdue scaffolding for honest stewardship of public money.

WHAT I AM ASKING FOR

Three concrete steps. First, the Governor should direct the Department of Health, Med-QUEST, and the State Health Planning and Development Agency to jointly publish, within 12 months, a unified federal healthcare funds dashboard with island-level outcome metrics. Second, the Legislature should require that every state-administered federal healthcare grant report annually against the CMS-10949 Checkpoint 2.3 framework, regardless of whether the grant is RHTP-funded. Third, the state's Congressional delegation should advocate for CMS to make the same accountability framework standard across HRSA, IHS, and Medicaid 1115 demonstrations nationally.

Two to three billion dollars a year is not a small number. The people of Hawaii are entitled to know what it buys. The new federal rules, for once, are on their side.

Sources & Methodology

All claims in this article are drawn from public records, federal datasets, and peer-reviewed reports. Citations are listed in order of appearance.

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Methodology note: Figures cited are the most recent publicly available at time of writing. The author is the founder of the Hawaii Health Intelligence Platform (HHIP), which aggregates and triangulates these sources for statewide healthcare policy analysis.