

-----Original Message-----

**From:** john.sheils@lewin.com [mailto:john.sheils@lewin.com]

**Sent:** Wednesday, August 31, 2005 4:33 AM

**To:** ljohnston@hipaonline.com

**Subject:** Re: Aloha from Hawaii

Laurel

We would be interested in performing these analyses for your state. We have extensive in modeling the financial impact of health reform proposals including single-payer.

Attached is a copy of the single-payer study for California that we performed for Senator Khuel of California. We have also analyzed the single-payer program Vermont, Georgia, Massachusetts, and Maryland.

The employer mandate in your state would make it easier to convert to a single-payer model funded with a tax paid by employers. This is because most employers are already paying something for insurance. Also, in states like Vermont and Maryland, many people work across state lines, which limits employer based funding options. This is because a state can not impose a tax on employers operating in other states. Hawaii would have a minimal boarder-crossing problem.

I can send you a description of our experience when you need it.

tk,

John Sheils  
(703) 269-5610

**Laurel Johnston**

**From:** Deborah Chollet [DChollet@Mathematica-Mpr.com]  
**Sent:** Thursday, September 08, 2005 6:37 AM  
**To:** ljohnston@hipaonline.com  
**Cc:** Margo Rosenbach; Robert Moriarty; Roland McDevitt (E-mail)  
**Subject:** RE: Quote for single payer analysis  
**Importance:** High

Hi, Laurel. I will also call your cell phone with the following information, but thought you might also want email confirmation of our estimate as well as the principal assumptions supporting it.

To develop a single-payer analysis for Hawaii, we estimate the cost to be about \$133,000, of which about one-third would be associated with a subcontract to Watson Wyatt for actuarial work. This estimate assumes:

- All work would be completed from October 1, 2005 and January 31, 2006. All major policy decisions (e.g., feasible variation in employer and employee participation rules and benefit design) would be made by mid-October.
- Hawaii's major carriers will cooperate in providing data for the purpose of calibrating the actuarial model to Hawaii cost levels. These data will include product design information and claims experience by demographic subgroup, and will be provided within 4 weeks of our formal data request.
- There would be a single benefit design for all participants, but we would investigate two alternative designs. Our budget assumes that the exact product design to be offered in the single-payer system might not currently be sold in Hawaii. (This is to say that, within our budget estimate, there may be some flexibility around the issue of benefit design. For example, if the benefit design would be either of the two most popular products now offered by any of the major carriers, we might be able to develop an analysis of cost *with choice of product* for the same budget or less. The choice of benefit design, at least at the level of whether it would be one/s that is/are now is sold in Hawaii, would need to be resolved before we could finalize our budget proposal.)
- Any travel to Hawaii would be reimbursed on a time and materials basis, outside of the estimated budget.
- Hawaii will provide (without charge) electronic copies of the household survey data and the employer survey data, with documentation.
- The budget does not consider separately the cost of providing a documented spreadsheet model as a deliverable. In general, there is a tradeoff between flexibility in design choices and the feasibility of delivering a model that would be simple to use. Once we can get clarification on some of the basic policy issues around participation and benefit design, we can consider more clearly whether and what kind of model might be useful to you.

I hope this information is helpful in your thinking about how to proceed. We are very excited about the prospect of doing this work with you; please call if you have any questions or need further information.

Deborah

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-- Original Message-----

**From:** Laurel Johnston [mailto:[ljohnston@hipaonline.com](mailto:ljohnston@hipaonline.com)]  
**Sent:** Friday, September 02, 2005 11:29 PM  
**To:** Deborah Chollet  
**Subject:** Quote for single payer analysis  
**Importance:** High

**Laurel Johnston**

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**From:** tim.barclay@milliman.com  
**Sent:** Thursday, September 08, 2005 11:24 AM  
**To:** ljohnston@hipaonline.com  
**Subject:** Re: Consultant work with Hawaii Health Care Task Force



HB1304 CD1.htm (10 KB) HB1304 task force.pdf (29 KB)

Laurel,

I believe Milliman can assist with your effort to explore ways of covering the uninsured, including support of a single payer analysis. Your initial request was for data, particularly that from the QUEST program, which we relied upon in our recent rate setting exercise. With permission from DHS, we can provide you with data or summaries of that data. As we discussed, the fee-for-service data provided by the state seems good, while the health plan encounter data is very incomplete.

Milliman can also help, if you wish, with additional actuarial support. We assist a wide variety of clients and programs including State Medicaid agencies, health plans that serve low income populations, state only programs for non-Medicaid low income clients, and local community projects to serve the uninsured. This breadth of experience should assist in your effort to quantify various approaches of expanding access to insurance coverage.

I look forward to talking with you more about your mission and specific ways that Milliman can assist with your effort.

Tim Barclay  
Consulting Actuary  
Milliman  
206-504-5603

"Laurel Johnston"  
<ljohnston@hipaonline.com>

<tim.barclay@milliman.com>

To

09/07/2005 06:32 PM

cc

Subject  
Consultant work with Hawaii Health Care Task Force

Please respond to  
<ljohnston@hipaonline.com>