

Health Care Task Force
Office of the Insurance Commissioner
April 13, 2006
John A. Burns School of Medicine, Auditorium

Minutes

In Attendance: Gary Allen, Patricia Blanchette, Lynn Finnegan, Susan Forbes, Beth Giesting, Josh Green, Roseanne Harrigan, Rich Meiers, J.P. Schmidt

Staff Support: Laurel Johnston and Carol Taniguchi Hawaii Uninsured Project, Miki Lee, Leeway Enterprise, James Nagle, Department of Attorney General, Lloyd Lim, Insurance Division

I. Call to Order

Chairperson Josh Green called the meeting to order at 4:17 PM with nine of the 13 members present.

II. Review and Approval of April 4, 2006 Minutes

Gary Allen made a motion to approve the minutes. Susan Forbes seconded and the Task Force voted unanimously to approve the April 4, 2006 Minutes.

III. Public Testimony

Chris Pablo, Renee Ing and Jim Brewer offered testimony.

IV. Discussion of the Analysis of a Single Payer Health Care System Submitted by The Lewin Group

Task Force Members discussed various issues, including the following:

- The analysis needs an executive summary or abstract that succinctly describes the essential elements of the proposed system.
- There were questions about the accuracy of Lewin's projections, especially the projections relating to utilization. What is in the analysis may not accurately reflect the potential for higher utilization immediately following the availability of the system (as was the case when Medicare was first rolled out in the 60s).
- Questions arise about the positive and negative impacts to the State should Hawaii move toward universal coverage. Will people who have higher health care needs flock to the state? Are there legal mechanisms available to help manage abuse of the system?

- How does this proposal measure up against other types of plans intended to address Hawaii's uninsured?
- There is a need to clarify what happens when someone covered under the plan leaves the state – either permanently or temporarily.
- How to ensure that there are adequate funds (in the beginning and in the future) available to support the improvement of the infrastructure.
- Are there any estimated start-up costs associated with implementing this strategy?
 - o Are there costs associated with the “disruption” of current systems?
 - o Are there costs associated with initially providing care and coverage to those who had been previously uninsured?
- Is it possible to provide a cost analysis of coverage for only the under-insured and the un-insured (versus a plan for all)?
- How accurate are the projections of fixed revenue figures?
- Slide #19: Costs for long-term care benefits need to be forecasted.
- Do the figures on the last page of the Lewin presentation related to payroll taxes factor in the projected changes in Hawaii's demographics (age)?
- Recalculate the Medicare reimbursement rate at 130%.
- The Task Force would like to see the data and assumptions used by Lewin to develop the proposal to help validate accuracies and identify gaps.
- A concern was raised about the risk of losing self-employed and small businesses because of the financial burden to these groups.
- Add the percentage/costs to include complementary/alternative care.
- Balance the figures on the chart on page 23, so that the costs are shared more evenly among groups.
- Produce a table that shows the net effect of the change in spending per household.
- Confirm that estimated savings includes the tax benefit.
- Need to be aware of the uncertainty of the S-CHP (page 18). It's possible that the State may have to pay the cost to continue these benefits.

- How much Medicaid funding is needed to support long-term health care? And what amount was used in the model?
- Can page 18 be annotated to explain variables?
- Seeing variations within the report, rather than in an appendix (or slide), would be most helpful.
- In its final report, the Task Force should also present models that address the problem that do not have tax impacts.
- Has a consumption reduction model been considered? (Access to health care results in a reduction in the need for critical and urgent care.)
- Need a more detailed explanation of which groups are “exempted.”
- How does this model work with other existing models, including Workers’ Compensation and automobile liability insurance?
- For the more rural or remote areas, if there is no access to the necessary provider, does this model provide resources to either bring those resources in or to take the patient to where care is available?
- What legal ramifications are there with this system? Who are the “deep pockets”? What are the costs associated with this? And is there any known data on what happens with lawsuits in a single payer system?
- Will any Tri-Care (or other) beneficiaries be adversely affected?
- Is it possible to send the second draft of the model out for expert review to help identify strengths and weaknesses that the Task Force might not see?
- When presenting the proposal, it’s important to provide a balanced picture showing both the pros and cons (and not just the potential cost savings).
- What other strategies are there for producing revenue besides increasing taxes? These should be included in the report.

V. Future Meeting Dates and Locations

The Task Force agreed to meet on April 25 and May 16.

VI. Adjournment

Chairperson Josh Green adjourned the Task Force meeting at 5:51 PM.