

Health Care Task Force
Office of the Insurance Commissioner
November 16, 2005
State Capitol, Room 329
4:00 to 6:00 PM

Minutes

In Attendance: Gary Allen, Susan Forbes, Beth Giesting, Josh Green, David Heywood, J.P. Schmidt, Calvin Wong

Staff Support: Carol Taniguchi and Gladys Quinto, Hawaii Uninsured Project; Miki Lee, Leeway Enterprise; James Nagle, Department of Attorney General; Lloyd Lim, Office of the Insurance Commissioner

I. Call to Order

Chairperson Josh Green called the meeting to order at 4:11 PM with 7 of the 13 members present.

II. Review and Approval of November 2, 2005 Minutes

Susan Forbes made a motion to approve the minutes. Beth Giesting seconded and the Task Force voted unanimously to approve the November 2, 2005 Minutes.

III. Public Testimony

Patrician McManaman and Stephen Shaw offered testimony.

IV. Act 223, SLH 2005 Scope of Work and Tasks

Discussion of Responses from Consultants to Request for Proposal for Cost Analysis and Selection of Consultant. The Task Force reviewed three proposals.

(1) Milliman Consultants and Actuaries. This proposal included conducting the cost analysis and comparing Hawaii's current health care system with a single-payer system. The proposal did not include an analysis of the impact of a single-payer system as required in the Request for Proposal (RFP) due to budget constraints and the need for more information. J.P. Schmidt noted that the cost of this proposal was beyond the amount set-aside for the cost analysis.

(2) Mercer Oliver Wyman. The proposal offered two packages, a quantitative cost analysis involving complex modeling and a qualitative review of existing research to

be applied to the Hawaii market. The cost for the qualitative review was within the budget; while the cost for the quantitative analysis was not. J.P. Schmidt reported that he had talked to Mercer representatives about their proposal and it did not appear that the proposal could be modified to incorporate aspects of both proposals within budget. A suggestion was made that the qualitative review could be commissioned first, and if the Task Force determined that further analysis was necessary, the quantitative piece could be requested pending funding. Chair Green noted that it would be difficult to request additional funding and encouraged the Task Force to stay within budget.

(3) The Lewin Group. This proposal responded to all criteria in the RFP and the proposed cost was within the budget. The Lewin Group has developed a Health Benefits Simulation Model designed to simulate the cost and coverage impacts of various health reform options. J.P. Schmidt stated that because of Hawaii's unique system of employer-based health coverage pursuant to the Prepaid Health Care Act, he had concerns about whether the model could be adapted to Hawaii's situation. Mr. Schmidt reported that in a telephone conversation with Lewin representatives, he was informed that quality of the analysis will depend on the information provided and put into the model. The Task Force acknowledged that it may not be possible to provide all the data being requested, such as specific reimbursement levels.

A question was raised about how much senior staff time would be spent on the project. Hawai'i Uninsured Project was asked to query Lewin Group on this. Task Force members also noted that The Lewin Group proposal does not include travel costs that may be incurred by the consultants; however, Task Force members recommended that data gathering or interviews be conducted by telephone and that approval of any additional travel costs will be considered at a later date.

David Heywood made a motion to select The Lewin Group to conduct the cost analysis work. Susan Forbes seconded and the Task Force voted unanimously to approve the selection of The Lewin Group.

Other Consultants and Experts. Several suggestions were made to find ways to bring in additional consultants, including setting aside a portion of the remaining budget, exploring the use of video conferencing, and seeking additional funds.

The Task Force agreed that they would first focus on providing The Lewin Group with the data it needs to complete the cost analysis before selecting additional consultants and experts. The results of the cost analysis will guide the Task Force in determining if additional formal input should be requested.

Basic Health Plan for the Uninsured. J.P. Schmidt reported that he had been looking into what is being done in other states related to establishing a basic health plan for the uninsured. He noted that other states have not been successful, especially in areas where the plans are geared toward small businesses and their employees. The focus of any proposed Hawaii plan would be for individuals. Mr. Schmidt added

that he is continuing to review basic health plans and will report back to the Task Force at a later time.

V. Discussion of Findings and Recommendations for Task Force Members for Draft Interim Report to the Legislature

The Task Force reviewed the draft interim report to the Legislature. Hawai'i Uninsured Project (HUP) staff confirmed that the issues raised by the Task Force in its early meetings would be included in the final interim report. The Task Force was asked to further review the draft and to forward comments and suggestions to HUP by December 1, 2005. A second draft incorporating all comments will be made available to the Task Force for review and approval at the December 13, 2005 meeting, which will be submitted to the Legislature through the Insurance Commissioner's office.

Task Force members discussed the draft report and requested that the following be included:

- ♦ The need to build adequate infrastructure as a means of ensuring that the needed facilities and services are available to those who need it.
- ♦ Review of Hawaii's Certificate of Need rules to establish whether the rules add value or create barriers in the delivery of health care.
- ♦ A basic "snapshot" of the the uninsured in Hawaii.
- ♦ An overview of current trends and issues in Hawaii's health care environment, including the hospital on-call problem, Medicare's new prescription drug benefit plan, increasing medical malpractice insurance costs/tort reform.
- ♦ The use of telehealth and telemedicine as a viable means of addressing Hawaii's unique geographic barriers as an island state: what is inhibiting use, provider capability, are we applying best practices?
- ♦ In addressing Hawaii's geographic barriers, review the feasibility of transporting providers rather than patients, address the need for adequate numbers and kinds of health professionals, and evaluate the cost/benefit of having state-of-the-art, expensive equipment and services in centralized locations or available on all islands.
- ♦ It was noted that medical care is only part of the problem and it was suggested that the Task Force add as a focus area the need to address social problems and behaviors and the need to cultivate preventive care attitudes and behaviors. The Task Force decided that there may be another group or entity in a better position to address this issue. However, the Task Force agreed that identifying the impact

of social patterns and noting these in the Task Force's final report in 2006 would be useful.

VI. Discussion and Approval of Recommendations to the Legislature for the 2006 Regular Session

The Task Force confirmed its previous recommendation urging the Legislature to fund a comprehensive provider map, intended to cover all levels and types of care – from nurses and physicians to community health centers, mental and dental health providers and professionals.

The Task Force requested that SHPDA be asked to clarify the details of the provider map it is pursuing and to determine if there is a need to expand on their current plans. Hawai'i Uninsured Project staff was requested to invite Dr. Sakamoto to a future Task Force meeting to provide information on the scope and work of the agency.

VII. Universal Health Care Plan for Hawaii

Jory Watland distributed a document outlining a proposal for Health PLAN for Hawaii. Questions were raised by Task Force members about the effectiveness of a centralized coordinating entity and whether a single entity supports or disrupts what is perceived as healthy market competition among providers (although it was acknowledged that no data is available to validate the hypothesis that competition benefits the individual).

VIII. Future Meetings

The Task Force will meet again on December 13, 2005.

IX. Adjournment

Chairperson Josh Green adjourned the Task Force meeting at 6:00 PM.