

# Christian Science Committee on Publication – Hawaii

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## **Testimony for Health Care Task Force: Tuesday, September 20, 2005**

**Presented by Nancy Walden, Christian Science Committee on Publication for Hawaii**

Distinguished ladies and gentlemen,

The rich cultural diversity of Hawaii's population calls for a universal healthcare insurance plan which responds to this diversity. I am here to express the hope that you will include in your deliberations, not only providing conventional medical health care coverage, but also the many Complementary and Alternative Medicine or so-called CAM therapies so widely relied on in Hawaii. I am particularly concerned with those citizens who turn to the long tradition of prayer and spirituality for their healing and healthcare needs.

**I am asking you to look to the many alternatives that are being used in our Hawaii community – or would be used if covered by health care insurance.** As you are taking on the worthy cause to provide the means for all Hawaii citizens to be covered by a universal health care insurance program, those in Hawaii who do not or do not wish to use medical care – will be left out of the program. And what is most unfortunate, those individuals who would be left out of the program will, nevertheless, be paying for it. It is sort of “a taxation without representation”.

I am sure you are aware of the enormous interest in alternative healing methods now being employed in Hawaii and throughout the country. Surveys indicate that roughly **two-thirds** of all Americans have used such methods in recent years. *And it is interesting to note that the most widely used such method is prayer!* Last year the federal government's Center for Disease Control reported that prayer for one's health, either by one's self or by others, constitutes the most commonly used CAM therapy. The National Center for Complementary and Alternative Medicine, an agency of the National Institutes of Health, confirms that CAM services include prayer.

The healthcare industry also recognizes the importance of CAM. The February 1, 2005 issue of “Managed Healthcare Executive” magazine states: “More than 60% of health plans now include CAM services as a covered benefit or offer affinity programs in which members receive discounts to CAM providers in a given network.” Employers are increasingly eager to cover CAM services because of growing evidence that it helps reduce employee medical utilization and the overall costs of healthcare.

**Laurel Johnston**

**From:** Pnhp@aol.com  
**Sent:** Monday, September 12, 2005 6:01 AM  
**To:** ljohnston@hipaonline.com  
**Subject:** Follow up from phone call with Dr. Quentin Young

Dear Laurel Johnston,

Dr. Quentin Young forwarded your e-mail to me, with the list of task force members and agenda.

Could you clarify for me one thing - are you the ED of the actual government health care task force/commission.....or the ED of the non-profit Hawaii Uninsured Project?

Also, please let us know what we can do to help.

As I'm sure Quentin relayed, we have a little different perspective on the uninsured since we are a group of physicians, many of who provide care to the uninsured in sites across the nation, in community health centers, public hospitals, and other safety-net sites.

From the practicing doctors' perspective, the problem cannot be solved incrementally. They see the problems with incremental reform every day in their hospitals and clinics (Dr. Bob LeBow's book "Health Care Meltdown" makes this case very strongly, using case studies from the three community health centers he founded in Idaho).

Furthermore, it is not just a problem of "the uninsured," but of everyone in Hawaii. A recent study by our founders showed that 15 percent of middle-class families bankrupted by medical bills *had* health insurance. With "consumer-directed health plans" insurance is shrinking, co-pays and deductibles are rising, there is a new burden called "co-insurance", and none of the above (which can amount to thousands of dollars even for the well insured) count towards the so-called "out-of-pocket maximum". The fastest rising group of uninsured is people making \$50 - \$75,000. People with poor coverage (e.g. Medicaid in most states) have no better measures of access to care than the uninsured.

Finally, even 96% of millionaires are worried about "rising health costs affecting their retirement."

So, there has never been a better time to make the argument for a universal system that would benefit all Hawaiians - regardless of income, class, race, age.

It's impossible to control costs without universal coverage, and you cannot have universal coverage without budgets and plans and cost controls. Hawaii has the highest hospital administrative costs in the nation - over 35% - much of which could be saved with a single payer system and used for clinical care.

Finally, we have a number of physicians in Hawaii who can speak to this issue, including Drs. Leslie Gise, Paul Effler, and Stephen Kemble, who raised this issue within the Hawaii Medical Association.

Best wishes with your work,

Yours truly,  
Ida Hellander

Ida Hellander, MD  
Executive Director  
Physicians for a National Health Program  
29 E Madison, Suite 602  
Chicago, IL 60602  
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## Laurel Johnston

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**From:** amalinow [amalinow@bcm.tmc.edu]  
**Sent:** Sunday, September 11, 2005 12:56 PM  
**To:** david\_himmelstein@hms.harvard.edu; pnhp@aol.com  
**Subject:** National Health Plan and Katrina

Ida,

I've spent much of this past week at the Astrodome/Reliant Center, where Baylor College of Medicine and the Harris County Hospital District put together a field hospital for the evacuees from New Orleans.

Tom Gavagan, appointed the medical director of the evacuee center, was the one putting up makeshift exam rooms and hanging up curtains because FEMA, Homeland Security, and the National Guard were nowhere to be found.

I think that we ended up seeing about 5000 patients over the week. Tom will be contacting David to talk about this public health fiasco and how we can use it to bolster our cause for a national health program.

There is another point, however, and this one is even more pertinent to our cause. There are at least 250,000 evacuees from Louisiana in Houston (this is conservative, it will probably be closer to half a million when all is tallied up), 20% of which were uninsured before the hurricane, and now, after losing their jobs and the employer-based health insurance that went with it, even more will be uninsured. Houston/Harris County already has over one million uninsured served by a hospital district (county hospital partially funded by property taxes) that has a capacity to handle about 250,000, and is still always in the red. Those that are eligible, are being signed up for Texas Medicaid.

The interesting thing is how all of this will get paid for. Houston will have to raise property taxes to pay for indigent/uninsured care; the state of Texas will have to raise the money somehow to pay its part of the Medicaid match (which is 40% here, more than Louisiana, by the way.) How fair is it to make one city, or one state, take on the health care costs caused by Katrina?

This is the perfect time to pitch a national health program: the only fair way to pay for the health-care costs incurred by Katrina is to spread them out so

9/20/05

BEATRICE BECKER

TESTIMONY, GOV. HINGOLE'S HEALTH CARE TASK FORCE.

RECENTLY, KAISER ANNOUNCED THE COST OF EMPLOYERS' SHARE OF HEALTH CARE PAYMENTS WOULD FACE A 9.2% INCREASE. WSS FIGURES, 9/15/05, ARE OF INTEREST. "THE WORKERS SHARE INCREASE IS THREE TIMES BIGGER THAN THE AVERAGE INCREASE IN WORKERS' INCOME & IT IS ABOUT THREE TIMES THE INFLATION RATE. SINCE 2000 EMPLOYERS' PREMIUMS HAVE RISEN 73%, A HEAVY BURDEN ON SMALL BUSINESS SO THAT TODAY ONLY 60% OFFERS HEALTH INSURANCE, DOWN FROM 66% IN 2003, 69% IN 2000." SOME SMALL BUSINESSES HAVE CLOSED, UNABLE TO AFFORD THE COSTS. A BY-PRODUCT IS THE INCREASING HIRE OF PART-TIME HELP TO AVOID PAYMENT OF BENEFITS. THE LOW WAGE EARNER IS WITHOUT ADVOCATES, YET IF HE COMES DOWN WITH AN INFECTIOUS DISEASE IT CAN INFECT ALL SOCIETY. THE SO-CALLED "BUSINESS EXPERTS" ARE NOT PRODUCING A PRODUCT THIS STATE CAN AFFORD. "BOTTOM-LINE ADVOCATES OVERSTEP THEIR AUTHORITY MAKING MEDICAL DECISIONS THEY ARE NOT QUALIFIED TO MAKE. WOMEN ARE DISCHARGED FROM HOSPITALS ONE DAY AFTER GIVING BIRTH, THE MENTALLY ILL ARE GIVEN SHORT SHRIFT OFTEN ENDING IN JAIL OR EARLY DEATH. IN THE PURSUIT OF THE BOTTOMLINE THERE HAS BEEN A CUTBACK IN SERVICES, SANITATION, PERSONNEL, SUPPLIES, ACCOUNTABILITY, ETC. WE DON'T NEED THEIR ADVICE. THIS STATE NEEDS AN INDEPENDENT HEALTH CARE AUTHORITY LICENCED BY THE STATE OF HAWAII AND FOR ALL RESIDENTS OF THE STATE. THIS NON-PROFIT WILL ELIMINATE PAPERWORK, PAY HEALTH PRACTITIONERS WELL IN A TIMELY MANNER, RESTORE ORDER TO HOSPITALS, UNITY IN THE COMMUNITY, CREATE A NEW JOB BASE, KEEP HEALTH CARE DOWNS IN THE ISLANDS, SUPPORT DEMOCRACY IN OUR LIFE."

To: Health Care Task Force

September 20, 2005

From: Physicians for a National Health Program-Hawaii (PNHP-Hawaii Lege Rep., Renee Ing)

Good afternoon Chair Green, Vice Chair Blanchette, and members of the Task Force.

My name is Renee Ing and I am speaking on behalf of the Hawaii chapter of PNHP.

This Health Care Task Force is currently considering expert consultants to advise you, and PNHP recommends that you consider the following :

1.) Conceptual framework, and Public Policy aspects of Single Payer: **KAREN PALMER**,

Karen is on PNHP-National's Board, and speaks for PNHP-National about Single-Payer. She's a Health Planner, has worked for the WHO, World Health Organization, for three years as a health public policy consultant. She was in Hawaii in the '80's and worked as a health planner in the Department of Health.

Karen Palmer speaks frequently on behalf of PNHP-National about single payer—and can talk to the Task Force both about the conceptual framework for a single payer health system and the public policy aspects of it's implementation. Karen is able to come to Hawaii in the next few months, should you invite her. And if you also decide to solicit community input by holding a public forum, Karen Palmer is able to clearly inform a general audience.

2.) Feasibility Study: To crunch the numbers, PNHP-National highly recommends the **LEWIN GROUP**. In it's opinion, the Lewin Group does very good feasibility studies and has done them for several states, among them California, Maryland, and Georgia.

Their assumptions are conservative, which is advisable when creating a sustainable health system. And they are reasonable priced—at about \$30,000 for a study. (In contrast, Mathematica gave Hawaii a quote of \$133,000—and was it mentioned in a previous Task Force meeting, the price for a study by (?) Milliman is about \$112,000.)

In the last minute—I am now taking off my PNHP-Hawaii hat—and I will be speaking as a private individual when giving my final comments.

First, regarding Milliman—I'd like to refer the Task Force to pages 163 to 169 in the book, Critical Condition, which gives some background on Milliman's questionable past history.

Secondly, I understand from a health policy expert that one million people is the minimum number you must have to be able to create a viable universal health system. Hawaii is a very small state, and has two major health organizations (instead of the hundreds found in other states).

I'm also told that doing a feasibility study for Hawaii should be a fairly simple task, involving just one risk pool. And especially after they've done more than once and have the template, it seems that the Lewin Group doing a feasibility study for single payer for Hawaii is preferable.

**STEPHEN M. SHAW**

Attorney At Law  
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Fax: (808) 531-2129  
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September 20, 2005

Temporary Health Care Task Force  
Rep. Josh Green, M.D.,  
Chair  
Rep. Patricia Blanchette, M.D.  
Vice Chair

DATE: Tuesday, September 20, 2005  
TIME: 4:30 p.m.  
PLACE: State Capitol, Room 329

**TESTIMONY OF STEPHEN M. SHAW, ESQ.**

Dear Chairman Green, Vice Chair Blanchette and Members Of The Task Force:

Given the highly probable collapse of HMSA, I hope that this body is not consciously avoiding calling Magistrate Judge Klein for a status update on the racketeering class action by the nation's health care providers against the Blues, including HMSA. This is no different from the weak levees in New Orleans, which were task-forced and studied years ago. Exhibits "A", "B".

This group is required first to develop a plan to implement health care for all residents. So far, it has been avoiding doing that. Gap-filling schemes, including stripped down policies, and community health centers have already been tried, and they have failed.

The single payer plan is the only way that a premium rate can be computed across the entire risk pool and to reduce, as much as possible, barriers to health care. A patchwork system of layered coverages for various income groups, unfairly segments our already small risk pool of 1.2 million lives and creates enormous stumbling blocks to health care; particularly in the area of preventative care.

The value of a statewide health premium rate for the basic policy already incorporated into state law, is that if the state eventually funds all or part of Hawaii's health coverage, taxed rates can be accurately tested against the rate set for the pool.

The second reason for the statewide premium rates for to a basic (prepaid health care plan) statutory policy, is that global insurers can bid for the entire state's book of business. Even if bidding is not successful, these rates, given to taxpayers, will assure them that the state's plan is market adjusted.

Its pretty clear by now that there are a significant number of people on this task force who do not, and will not, support the single payer plan.

It is to those people that I now caution: if HMSA's assets are diminished while this committee is struggling, I will hold you individually responsible, as well as the state, for those losses.

If the task force was serious about a single payer plan (or any plan) it would by now have delved into the state's record system for the actuarial data underlying the government employees' plan. See exhibits "E" and "F" (state's obstructive response to citizen request). These numbers will show that premium rates on segmented risk pools are causing the crisis we are facing.

There is enough money for an SPP to work in Hawaii. It comes down to identifying the naysayers and their "connections" and holding them responsible for the collapse we face.

Respectfully Submitted,



Stephen M. Shaw

Encls. Exhibits "A" - "F"

# Health Insurance Crisis Management With Hawaii, Inc.

By Stephen M. Shaw, Attorney

There were two small business bills before the 2004 Hawaii legislature, which if reintroduced and combined, will dramatically lower the costs of doing business in Hawaii. These were Senate Bill 3155 (2004) and a House Bill (HB) 1617, from the 2003 session. While small businesses in Hawaii have always paid too much in taxes and insurance premiums for health insurance, legislators are now responding to crisis.

There is a disaster, today, in Hawaii's health insurance system, which these pieces of legislation attempted to address. The system collapse is not generated by too many doctor visits or new medical gadgets. Lawmakers know that relative to the elderly, the State population deemed of working age (19-65) is decreasing. In small business group health insurance when less people working are in healthy ages, the rates skyrocket. Overall population growth of 6.5% between 1990 and 1999 contrasts sharply with the increases in the same period of persons between 65-74 years old (13% increase) and 75 years and older (increased by 62%). Nationwide, these groups only grew by 1% and 24%, respectively health trends org/demographics.

One indicator of the urgency of this crisis is found in the CFO's article in HMSA's Spring '04 Island Scene Magazine. There Steve Van Ribbink reports that reserves built up by HMSA over 65 years were depleted by 173 million in the last six years! There is only \$482M left to go. This may suggest that the coachman is not yet at the door. Not so. Rapid aging and reduction of „healthy% age groups is an accelerating trend. Common sense suggests that HMSA reserves at present premium levels have less than five years to go. Beyond a \$15M „fund% dedicated to the state, HMSA has no reinsurance, state guarantee fund participation, or any other backing.

The \$15M fund won't last long. The 2002 claims at HMSA were \$1.33 billion, against premiums of \$1.46 billion. This insurer covers about half of the state's 1.2 million residents.

SB 3511 and HB 1617, in combination, took a business-like, instead of panic-stricken, approach to this institutional collapse. The state, like any business, has a large pool of potential insureds. Unfortunately, only the state can efficiently pool these lives; and, either request annual bids from world-class insurers, or self insure the group. For all of its merit, SB 3511 still has two fatal defects, first, it limits bidding to health insurers, (a nod to localism), second, SB



The health insurance industry is in a crisis.

3511 totally ignores the high cost to small businesses, doctors, and manufacturers, of hidden insurance in other lines of coverage. HB 1617, on the other hand recognized hidden health insurance and used it creatively for funding.

Take worker's compensation as an example of hidden health insurance. Hawaii businesses were forced to pay \$269,522,286 to worker's compensation carriers in 2002, according to the Report of The Insurance Commissioner of Hawaii 2003. These insurers paid \$117,311,740 in losses that year. While some of that premium was allocated to wage-loss for injured employees, a major portion (probably 60%) was paid for health care for Hawaii's injured workers. Some insurers threaten to leave the market if deprived of this huge profit center. No matter. Hawaii Inc. has HEMIC; or, like any business, it can self-insure.

Automobile insurance involves the same, wasteful, and duplicative problem. Against over \$600 million premiums in 2002, these insurers paid only about \$314M for losses that year.

This analysis works through a number of other lines of insurance written to Hawaii businesses by non health insurers. These, often massive multinational insurers, including auto and workers compensation carriers, obtained payments from state residents of \$1.88 billion in 2002, against losses of only \$709,923,611.

The good news is that these non health carriers already demonstrate vast experience in Hawaii health insurance, and should be allowed to bid for Hawaii Inc.'s group insurance policy for up to 1.2M residents. Once unmasked, the hidden health premium is added to the so-called health insurers combined 2002 premium of \$2.1 billion.

Tort reformers will be very encouraged by the consequences of HB 1617's "stripping" of hidden medical insurance from all non health premiums paid by small businesses and other residents. Medical malpractice premiums are a good example. Out of the \$25.3 million premium health care providers paid in 2002, only about \$15.9 million in losses were paid. In this line of coverage as well as in products liability insurance, health insurance is deeply hidden.

When one of these insurers settles or pays a verdict, a certain percentage is for past medical expenses and future medical expenses. This figure can be as much as one half of the total amount. After Hawaii Inc., doctors must not be charged premiums which include medical expenses, if medical care is provided by Hawaii Inc.,s group health plan.

At the coming legislative session, perhaps SB 3155 can be better combined with HB 1617 to provide life-boats to small businesses as we sink together.

**EXHIBIT 'A'**



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# Is it Time to Dissolve HMSA?

By Stephen M. Shaw, Attorney

By now, small business owners should be contacting state and federal regulators about their HMSA policies. Strong evidence of HMSA's ongoing collapse lies in the inducements given to 200,000 government employees by HMSA to eliminate competition and open bidding on the state's largest group health insurance policy. See *Honolulu Advertiser* (8-29-04).

As the HMSA ship quickly sinks, the frequency of its desperate acts increases. Insurance Commissioner, **J.P. Schmidt**, must shut HMSA down now, as he is required to do whenever continued operation of a mutual benefit society is hazardous to its members, or the general public. HMSA's six year hemorrhage of \$174+ million in policyholders, reserves (saved up for 65 years) is sufficient hazardous operation for receivership.

Unpaid claims piling up over the last decade have resulted in at least three class action lawsuits brought by unpaid physicians and medical providers against HMSA. These cases clearly inform Commissioner Schmidt that HMSA's closure is overdue. While one suit now gathers dust in the Hawaii Supreme Court, a civil racketeering case against HMSA, is before the same federal judge in Miami, who recently settled the gigantic physicians, cases against AETNA and CIGNA.

HMSA's knowledge of its hazardous operations is underscored by its attempt, beginning July 2004, to force 11000 employers to contract to pay for acts of negligence of HMSA's executives! State lawsuits do not usually ruffle HMSA. But after the Miami case was filed, HMSA's President quickly transferred his real estate into his wife's name.

Clear evidence of HMSA's ongoing hazardous operation must be placed into demographic context by Commissioner Schmidt. The Baby Boomer Data Hawaii 2002 (Exec. Off. On Aging) p. 49, informs J.P. Schmidt that by 2010, it is projected that there will be 437,327 residents in Haaii between ages 40 to 64. The total population is projected to be 1,366,770.

Instead of placing HMSA into receivership, the Commissioner has suggested that HMSA's reserves should be reduced. This will not change ongoing hazardous operation at all. It will only lower the amount of policyholder reserves which could be wasted or misapplied to still secret executive salaries.

In addition to pending court cases to get thousands of doctors paid, there is the unattended problem of predatory premium rates caused by HMSA's segmenting the state's risk-pool of nearly 1.2 million people. Small corporations pay \$312/month for a preferred provider plan.

Employers represented on HMSA's 27 member board can get an old boy rate of about \$189/month for the same policy. The government employee premium will be much lower than \$189/month. Segmenting the risk pool could not exist without the help of state lawmakers who have severed 200,000 lives from the population needed to calculate a fair premium for small business owners.

When the Titanic sank, there weren't enough lifeboats because experts thought the ship was unsinkable. The horrific race to lifeboats, like government employee's recent negotiations with HMSA, turned ugly. Today, Hawaii government employees, like employers resting easily on the HMSA board, are getting a great (undisclosed) premium rate from HMSA, which small business pay for many times over.

First, we are taxed. Out of this money the government employees, trust pays HMSA a premium based on claims, and claims overpayments, to some of these employees. Second, and most indicative of hazard, the small business rates keep going up because the pool size is segmented, and lawmakers refuse to correct this practice.

Small business owners must wonder how state employees, who are responsible for protecting them, were induced to worry only about the best deal they could cut for themselves.

Amid obvious signs of HMSA's collapse, the government employees fund was audited in 2002. The auditor found that year that claims overpayments to government employees were as high as \$390,374.38!

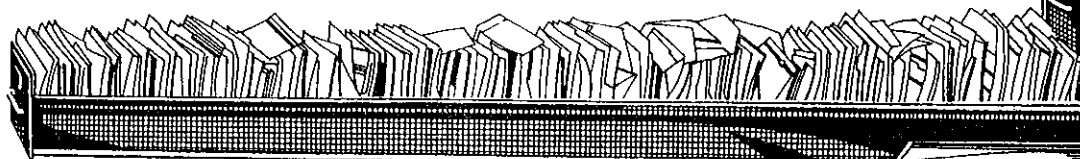
Additionally, this consultant identified drug overpayments of items not on any HMSA policy, including \$5,343.53 for 121 prescriptions for sexual dysfunction products. Other outlandish perks, included vitamins and obesity drugs.

Go figure.

Stephen Shaw is a private attorney-at-law and SBH member. E-mail: shawy001@hawaii.rr.com

"B"

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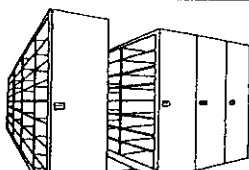


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**EXHIBIT**

"B"

STEPHEN M. SHAW

Attorney At Law  
P.O. Box 2353, Honolulu, Hawaii 96804  
Telephone: (808) 521-0800  
Fax: (808) 531-2129  
Email: shawy001@hawaii.rr.com

Date: 8-25-05

To: 586-2161 (Marie)

Location/Number: EUTR,

From: Stephen M. Shaw, Esq.

Re: My Testimony For Health Care Task Force

Total Pages Sent (including this page) 1 of 1

1. Subject: On 8-11-05, state wrote a check for \$34,162,092.06 (monthly). How many individuals (retired, spouses, children and active employees) was that check for, and

2. For what benefits

THE INFORMATION CONTAINED IN THIS FAX MESSAGE IS INTENDED ONLY FOR THE PERSONAL AND CONFIDENTIAL USE OF THE DESIGNATED RECIPIENT(S) NAMED ABOVE. THIS MESSAGE MAY BE AN ATTORNEY-CLIENT COMMUNICATION, AND AS SUCH IS PRIVILEGED AND CONFIDENTIAL. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT OR AN AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT YOU HAVE RECEIVED THIS DOCUMENT IN ERROR AND THAT ANY REVIEW, DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS MESSAGE IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US BY MAIL. THANK YOU.

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If there is any problem with receipt of this telefax, please call (808) 521-0800 as soon as possible.

Mahalo.

EXHIBIT "C"

Payments to Carriers  
July 2005

HMSA

	Count	Rate	Total	Total Payment
<b>Active Employees</b>				
Self	20,315	266.54	5,414,760.10	
Family	18,853	804.04	15,158,566.12	
<b>Total</b>	<b>39,168</b>		<b>20,573,326.22</b>	<b>20,573,326.22</b>
<b>Retiree (Non Medicare)</b>				
Self	3,502	322.82	1,130,515.64	
Family	4,715	902.64	4,255,947.60	
<b>Total</b>	<b>8,217</b>		<b>5,386,463.24</b>	<b>5,386,463.24</b>
<b>Retiree (Medicare)</b>				
Self	12,758	202.64	2,585,281.12	
Family	8,028	664.10	5,331,394.80	
<b>Total</b>	<b>20,786</b>		<b>7,916,675.92</b>	<b>7,916,675.92</b>
<b>Sub-Total</b>				<b>33,876,465.38</b>
<b>DUAL</b>				
Self	278	166.42	46,264.76	
Family	520	508.24	264,284.80	
<b>Total</b>	<b>798</b>		<b>310,549.56</b>	<b>310,549.56</b>
<b>DRUG</b>				
Self	49	55.22	2,705.78	
Family	102	169.96	17,335.92	
<b>Total</b>	<b>151</b>		<b>20,041.70</b>	<b>20,041.70</b>
<b>Total</b>				<b>34,207,056.64</b>

HMSA - Retroactive Payments

		Total	Total Payment
<b>Retroactive Payments</b>			
<b>Active</b>	Self	533.48	
	Family	4,603.12	5,136.60
<b>Retiree</b>	Self	(4,520.10)	
	Family	6,805.68	2,285.58
<b>Medicare</b>	Self	29,499.10	
	Family	(81,889.54)	(52,390.44)
<b>Dual</b>	Self	310.04	
	Family	(473.46)	(163.42)
<b>Drug</b>	Self	(158.82)	
	Family	325.92	167.10
<b>Total Retroactive</b>			<b>(44,964.58)</b>
<b>Grand Total - Payment to HMSA</b>			<b>34,162,092.06</b>

**EXHIBIT "D"**

C: Dm... 01

**STEPHEN M. SHAW**

Attorney At Law  
P.O. Box 2353, Honolulu, Hawaii 96804  
Telephone: (808) 521-0800  
Fax: (808) 531-2129  
Email: shawy001@hawaii.rr.com

August 29, 2005

Administrator,  
EUTF  
201 Merchant Street, Suite 1520  
Honolulu, HI 96813  
Ph: 586-2121

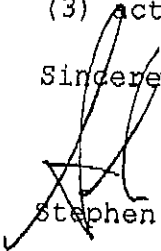
Fax: 586-2161

Re: HRS §92F-1 FREEDOM OF INFORMATION ACT REQUEST

Dear Director & Administrator:

This is follows the earlier request under our State's freedom of Information Act, HRS 92F-1 et seq. for the following information from your agency: within ten (10) days additional please provide (1) information showing the number of persons covered by the voucher issued 8/11/05 for \$34,162,092.06, and (2) census information how these covered individuals break down, i.e. 28,000 retirees plus 39,000 employees, and how many others? (3) actuarial data on rate computation.

Sincerely,

  
Stephen M. Shaw

Encl. Request To Access A Government Record

**EXHIBIT "E"**

# NOTICE TO REQUESTER

DATE: September 9, 2005  
TO: Stephen M. Shaw, Attorney at Law, P.O. Box 2353, Honolulu, HI 96804, Telephone: (808) 521-0800, Fax: (808) 531-2129  
FROM: EUTF, Maria Quartero, Telephone: (808) 587-5434  
Department Name, Name & Telephone Number of Contact Person at Agency

## ACCESS TO THE GOVERNMENT RECORD YOU REQUESTED (copy of request attached or brief description below)

Copy of request attached.

- ~~will be granted in its entirety~~ in part, as to Nos. 1 and 2.  
 \* **cannot be granted because** \*(as to Nos. 1, 2, and 3)  
 agency does not maintain the requested record.  
 agency needs a further description or clarification of the requested record. Please contact the agency within \_\_\_\_\_ days or your request will be considered abandoned.  
 the request would require the agency to create a summary or compilation from records that are not readily retrievable.  
 is denied in its entirety or will be granted only to certain part(s) of this government record. Denial of access to this or portions of this government record is based upon the following subsections of section 92F-13, Hawaii Revised Statutes, or other laws as cited below. The portions of the record that the agency will not disclose are described in general terms:

STATUTE

RECORD OR PORTIONS WITHHELD

## METHOD AND DATE OF DISCLOSURE:

- Inspection at the following location: \_\_\_\_\_ On (date/time): \_\_\_\_\_  
 Copy provided to you:  
 available for pick-up at the agency on (date/time): After payment of \$.05 is made  
 to be mailed  
 transmitted by other means as requested  
 Incremental Disclosure: The record will be disclosed in increments. (The agency must attach a description of extenuating circumstances that support its intention to disclose incrementally. See §2-71-15 H.A.R.) The first increment will be available on \_\_\_\_\_

See Back for Information on Fees

Should you have questions about the agency's response, you may contact the person named above. If you are not satisfied with the agency's response, you may call the Office of Information Practices at 808-586-1400.

**EXHIBIT** "F"

September 20, 2005

ALOHA HEALTHCARE TASK FORCE MEMBERS,

I ask you you to consider the first draft of legislation which I think will be useful if for no other reason than to starting a dialogue about how to proceed along the path to a single-payer system.

This is how far I have gotten on a FIRST DRAFT, subject to revision and to continue on to a conclusion.

## FIRST DRAFT

THE HOUSE  
THE SENATE

H.B. NO.  
S.B. NO.

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A BILL FOR AN ACT

RELATING TO A HAWAII SINGLE-PAYER UNIVERSAL HEALTHCARE SYSTEM  
— A UNIFIED “EVERYBODY IN, NOBODY LEFT OUT” COST-SAVING  
COMPREHENSIVE QUALITY HEALTHCARE-FOR-ALL  
PUBLIC FINANCING SYSTEM AND PROGRAM

Section 1. The Legislature finds that there is a rapidly developing crisis in healthcare financing in the state of Hawaii which causes a crisis in healthcare delivery ; and, that what is needed is a new healthcare payments system and program that will be good for: a. Union members, by taking health plan negotiating off the collective bargaining table once and for all; b. All employee families, in general, who make up 80% of the population; and, who are the most impacted by the growing healthcare-cost crisis; c. Patients; from reducing costs and increasing benefits. d. All healthcare recipients, who will at last have complete stress-relieving healthcare freedom and security; e. Businesses, large and small, by significantly reducing a large overhead expense; f. Doctors, since it means less paperwork and more time to doctor; g. Hospitals, since it means dependable, annual “Global Budgets;” h. The local economy, by keeping most healthcare dollars in Hawaii; and, i. Tax-payers and state government; through cost and inflation containment.

That is how a single-payer quality-healthcare-for-all system and program will benefit all Hawaii.

Section 2. This Act creates the State of Hawaii Single-Payer Universal Quality Health Care System and its implementing semi-autonomous Hawaii Healthcare Funding and Payments Authority (HHFPA); which help restore the patient-doctor-nurse-and other caregivers relationship as fundamental to meaningful health care; put all Hawaii residents into one health insurance risk-pool; and, creates a single, efficient and effective reimburse-

ment system for medical care costs in Hawaii; which will save the state hundreds of millions in administrative healthcare costs alone. These and other savings will make it possible to insure every Hawaii resident with a streamlined funding program for a high-quality comprehensive health plan; which will include preventive and early-intervention healthcare as well as emergency, primary, hospital and specialty medical, dental, vision, hearing, mental health care, including substance abuse treatment; chiropractic and other licensed health services; and, necessary prescription drugs and long-term care coverage for the frail elderly and persons with permanent disabilities.

Section 3. This Act folds in Medicare, Medicaid and other government and public employee health funds; along with the savings from instituting a public non-profit single Hawaii Healthcare Funding and Payments Authority (HHFPA); and, savings from eliminating overlapping/redundant healthcare coverage components presently found in auto insurance, homeowners insurance, etc.; along with a reduced payroll tax on both employees and employers paid into this one public fund for healthcare payments to healthcare providers, such as doctors, clinics, hospitals, etc.

By adjusting and consolidating these funds, we prepare Hawaii for the future and we rid ourselves from the current wasteful paperwork and make-work bureaucracies caused by the several multi-payer, payment-reluctant and fraud-prone healthcare programs in Hawaii. Hawaii's people will still pay payroll taxes withheld in lieu of private insurance premiums, but payments will be significantly less than current insurance company premiums. This new single-payer universal quality healthcare system thereby provides a uniformly high quality of healthcare to every Hawaii resident. It will also remove the cap on catastrophic healthcare payments; and, by so doing, end the outdated and inhumane scourge of "medical bankruptcies" for Hawaii's families—forever.

Section 4. The Hawaii Healthcare Funding and Payments Authority (HHFPA) constituted by this Act shall have a board of commissioners to be comprised of a total of seven (07) members; an HHFPA Chairperson elected by voters statewide (one (01)), with three (03) commissioners elected at-large from the City and County of Honolulu; and, with one (01) each being elected by the voters respectively of Hawaii County, Kauai County