**HAWAII HEALTH AUTHORITY**

Department of Budget and Finance

STATE OF HAWAII

 **Minutes of Meeting**

 **Date:** Monday, January 23, 2012

**Places:** John A. Burns School of Medicine

 University of Hawaii

 615 Ilalo Street

MEB Room 202

Honolulu, HI 96813

1. **Call Meeting to Order**

The Hawaii Health Authority meeting was called to order at 4:10 P.M. by Jory Watland.

**HHA Members present:**

Nathan Chang (4:13 PM) S. Peter Kim

Ritabelle Fernandes (4:13 PM) Marion Poirier

Rey Graulty Jory Watland

Stephen Kemble

**HHA Members absent:**

 Wendie Schwab

**Guests present**:

Chelsea Okamoto- Intern to the Governor’s Policy Office

1. **Review of Meeting Minutes from December 19, 2011**

Minutes were reviewed. Stephen Kemble commented the last paragraph of the first page needed to be amended. Minutes from January 6, 2012 reflect this change. S. Peter Kim motioned to accept the amended minutes, Rey Graulty second the motion. The HHA board voted to accept (4-0, Marion Poirier abstained; Nathan Chang and Ritabelle Fernandes arrived after the vote at 4:13 PM).

1. **Report on resolutions and bill introductions to the Legislature**
* **Integration of HHSC Facilities in Rural Areas with Primary Health Care Centers**
* **Expansion of the SNAP program**
* **Implementation of Medicaid 1115 Waiver**

Jory Watland reported that the “2011 Update to: ‘Report by the Health Futures Task Force on a New Health Assurance Program, January 1999’” as well as the original “Report by the Health Futures Task Force on a New Health Assurance Program, January 1999” was submitted to the Legislature on December 27, 2011. Jory Watland stated the House and Senate Health and Human Services committee chairs will introduce the bill and resolutions. There was also a bill submitted with an appropriation to the Hawaii Health Authority. Rey Graulty stated the greatest challenge will be to get the Administration to be in sync with the Hawaii Health Authority. Stephen Kemble mentioned that he has a personal friend that socializes with the Governor frequently, and stated that he spoke about our report in favorable terms, but he didn’t mention anything about what we were recommending in the State of the State address. Rey Graulty suggested that the Governor may be waiting to meet with members of the Hawaii Health Authority.

 Rey Graulty stated that while the Governor’s support is important, we also don’t know where the Department Heads lie. Rey Graulty stated that Hawaii Health Authority subcommittee (Stephen Kemble, Rey Graulty, and Jory Watland) have a meeting with the Governor set for January 31st at 11:00 am, but suggested that we also meet with the Department Heads. Rey Graulty asked if Jory Watland met with Pat McManaman (Department of Human Services). He stated he did not meet with her, but he met with Loretta Fuddy (Department of Health). Jory Watland stated that HHA had a meeting with Loretta Fuddy again on January 25 at 7:30 am at the DOH. He also called to set a meeting with Pat McManaman, however she is on family leave.

 Jory Watland stated the need to keep information the same at all meetings, and S. Peter Kim agreed saying the same tone and same message must be kept. Stephen Kemble mentioned that he had previous conversations with Pat McManaman and was interested in the direction HHA was heading in, but wanted to know more details on what the strategies and plans were. Stephen Kemble stated that the rest of DHS, however, is going in the opposite direction of HHA, such as with Medicaid managed care, raising eligibility rates, and overall, violating the principles set forth in the report submitted by HHA. Jory Watland said we need to gather questions that need to be addressed from our standpoint and their standpoint. Stephen Kemble said that as we continue discussions, HHA can be a resource to help with strategic planning.

Rey Graulty added that we need to have steps written out for the Governor and Department heads. Jory Watland stated that Stephen Kemble’s powerpoint regarding licensed medical services was clear. He stated that DOH has many people working in positions that are different from health centers and there may be duplication in services in these two departments, such as with eligibility workers. HHA needs to work with both department heads to not only look at the big picture, but look at the different pieces of the puzzle in order to target duplicative services. Rey Graulty stated we need to present the Governor with not a powerpoint or a speech, but a one page sheet that he can refer back to and move in the direction of HHA. Stephen Kemble said that if the Governor did read the report, it is encouraging. Rey Graulty stated reading the report is more than some Governors are willing to do. Nathan Chang suggested sending the bill, resolutions to the department heads prior to the meetings. Marion Poirier suggested adding the powerpoint and Stephen Kemble asked if the report can also be sent. Chelsea Okamoto stated she would send the information. She noted that the information is available online, but the bill and resolutions are not yet posted.

Marion Poirier posed the question of Obamacare (Patient Protection and Affordability Care Act) and whether the merging of the federal plan and the state plan is a good idea. She proposed keeping both these initiatives separate. In case the federal plan fails, the state will be able to carry out its own initiative. Stephen Kemble agreed saying that he feels the federal plan will run into problems and said Hawaii needs to position itself separately so that we won’t need to undo a lot of the problems. We need to take advantage of the federal law and create a system close to what we want, so in the event that it fails, we can still be close to where we need to go. Jory Watland added that Hawaii will be least affected by the federal plan because Hawaii plan is already at or better than the proposed federal plan due to the Prepaid Health Care Act and the 1115 Medicaid waiver. These two big things put us in a different place compared to other states. S. Peter Kim said we need to succinctly state this selling point to the Governor. Marion Poirier added she feels the Insurance Commissioner should be in the discussions. Rey Graulty said they spoke to him in placing a surcharge in raising funds for this committee, and he said it was a bad idea because the fee would be passed onto patients. Jory Watland said the Insurance Commissioner that recently resigned in 2010 would be interested in joining discussions.

Jory Watland stated that we have barriers and also reiterated the need for naming of the plan and moving away from “single payer.” Jory Watland also mentioned he was cautioned to incorporate certain aspects of a complete system. Jory Watland said that we need to try to get support in the next couple of weeks from the Administration and meet frequently with the Legislature, even if there isn’t a bill. Stephen Kemble mentioned the example of scope of practice in the need to meet with the Legislature. He stated that previously, naturopaths were given prescription privileges, even though their training was inadequate. The Legislature was unaware of this, and Stephen Kemble stated that these types of bills should be referred to HHA. S. Peter Kim stated that the terminology we use should be careful and Stephen Kemble mentioned that the Governor told him personally to avoid using the term “single payer”

Rey Graulty said at some point, we’ll need to touch base with unions. Jory Watland stated he spoke with UPW and HGEA. He said the unions are very careful in not approaching benefit contracts and that HHA doesn’t want to distinguish between non-union and union employees. Stephen Kemble said the unions don’t want to lose anything that they have. As long as the benefit package exceeds what they already have, the unions won’t give much push back. Jory Watland said the appeal to the public and private unions, to the Governor, and to the Legislature is that we can do more for more for less. Jory said we need to be able to track every dollar that is spent on health care, which is why we need staff. He states the example of inmates and the high costs of providing health care for the prisons. Stephen Kemble said that we need to start with the Governor and department heads before we go to the unions, because he should be the center of strategy. S. Peter Kim said that it may take time for the unions to join the discussions, but we should be able to have a plan and comparative charts. Stephen Kemble said that he started with underlying principles and any information regarding dollars to draft documents. Nathan Chang stated it is questionable if we’ll get funding from the Legislature, but he asked if getting information about the data on healthcare would be under the purview of the Legislative Auditor. Rey Graulty said that the Legislative Reference Bureau would be more equipped and be the focal point of gathering information. Stephen Kemble stated usually a group is contracted to do a cost study report, such as the Lewin Group. He stated that two were conducted in 2002 and in 2006, and will probably need to be done again once a plan is set. Rey Graulty asked how much it cost for this report, and Jory Watland stated it was around $80-$90,000. Jory Watland said to be cautious because they eliminated Medicare and the Military from the report. Stephen Kemble said that the report was skewed against single payer because of certain figures: they left out global budgets and instituted payment at full HMSA rates. Jory Watland said we need to find entities that are able to do research on evidence based systems, which is difficult because this research is very new.

Jory Watland said that we need to begin to include legislators at the table. Ritabelle Fernandes said that she agreed with Rey Graulty’s suggestion for a one page policy brief and suggested Stephen Kemble to author it. Stephen Kemble said that the flow sheet depends on details on DHS and DOH before we can create the detail needed in this one-page information sheet. Jory Watland said the Department of Health is looking at new ways to do things, but it takes a year to assimilate everything, which is difficult under a new director. Stephen Kemble stated one example of confusion between DOH and DHS is how public mental health was administered, which has become very inefficient and fragmented.

Rey Graulty motioned to designate a subcommittee of Jory Watland and Stephen Kemble to meet with Loretta Fuddy, and also Pat McManaman if available, to ask for their assistance to determine pieces to create a universal healthcare system to bring this information to the Governor and report back to the HHA on February 6th. Jory Watland suggested having an alternate in the event Stephen Kemble isn’t available, however Rey Graulty said there is danger in having discrepancies in both talks. Nathan Chang also amended the motion to include the bill and resolutions in the discussion with the department heads. S. Peter Kim second the motion. The board voted unanimously in favor. (7-0)

Nathan Chang asked if HHA meeting with the legislators would be legal. Jory Watland interjected that it would be different if HHA requested to meet with legislators than if legislators asked to meet with HHA. Heidi Rian said that either way, it would need to be a public forum.

1. **Adjournment**

Meeting was adjourned at 5:03 PM. The next meeting is scheduled for February 6, 2012.