**HAWAII HEALTH AUTHORITY**

Department of Budget and Finance

STATE OF HAWAII

 **Minutes of Meeting**

 **Date:** Monday, January 9, 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 4:15 P.M. by Jory Watland.

**HHA Members present:**

Nathan Chang S. Peter Kim

Rey Graulty Jory Watland

Stephen Kemble

**HHA Members absent:**

 Ritabelle Fernandes

 Marion Poirier

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. Rey Graulty commented that time of arrival for members arriving after votes should be included. Minutes from December 19, 2011 reflect this change. Stephen Kemble motioned to accept the minutes, Rey Graulty second the motion. The HHA board voted unanimously to accept (5-0).

1. **Review submittal of “Health Futures Task Force Report” to Legislature**

Chelsea Okamoto, Staff to the HHA, 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. It was due 20 days prior to the start of the 2012 Regular Legislative Session.

Stephen Kemble commented that what the HHA will be doing next revolves around creating legislation. However, he mentioned that the Administration can implement changes without the Legislature. He feels that there should be more collaboration with the Administration in order to align objectives. Stephen Kemble elaborated that Medicaid used to be completely run by the State, but now the State contracts with private organizations in order have a set budget for the year. However, Medicaid is now fragmented and creates an environment providers in private practice can’t take new patients. He also commented that the Queen Emma clinic is intermittently closed to new referrals creating an access problem for patients. Jory Watland added that Federally Qualified Health Centers aren’t voicing concern because their reimbursement rates aren’t being affected. Stephen Kemble stated we have a two tier system of health care delivery, in which there is an increasing gap.

Rey Graulty asked if all of these concerns were detailed in our report that was submitted, and Stephen Kemble confirmed that it was. Rey Graulty then asked when we should “knock on doors to see if” anyone has read it. Stephen Kemble stated he gave Beth Giesting a report as well as sent a link to Pat McManaman. He said they should be coming to speak with us. Rey Graulty said right now is the time to speak to the Governor since we have something concrete to discuss. Stephen Kemble also mentioned we should also talk to the director of the Health Insurance Exchange, in which legislation for its creation was passed last year. Stephen Kemble said that Health Insurance Exchanges will fail due to adverse selection or will add costs due to data collection, risk adjustments, and other administrative tasks. He stated Vermont is proposing a Health Insurance Exchange in order to meet the federal requirements, but are planning to have only one or two plans. He suggested that in Hawaii, we could have Kaiser as one plan and another plan encompassing all others, with standardize comprehensive benefits and standardized fees that we would want in a universal system. This could be a building block for a universal system.

Jory Watland agreed with Rey Graulty’s suggestion to meet with the Governor. Jory Watland also wanted to find out if there was a limit for how much Medicaid gives to the State. He wants to maximize the amount that the State can receive from the federal government. He said the federal match has dropped, but said funds from Employee Union Trust Fund could be used to garner federal matching funds. By using this financing mechanism, he estimated a quarter of a billion would be raised for the State, and State Employees would have Medicaid benefits, without having increasing premiums of privatized plans. Stephen Kemble said the fear is that benefits would expand, and that this will cost the State more money. He said the opposite is true and States like Colorado have saved money because it is administratively simple. Jory Watland stated that we not only save money through reduced administrative costs, but also through our populations becoming healthier.

S. Peter Kim said there are levels of hurdles to jump, such as the labor unions agreement these plans. Jory Watland and Stephen Kemble said that as long as benefits are better, which Medicaid is, there should be support for this plan. Jory Watland said once we speak to the Governor, we can formally speak to the union heads. Rey Graulty said the legislative process will be able to draw interest in the bills we have submitted. Rey Graulty said the difficult part will be getting a meeting with the Governor. Stephen Kemble stated he met with the Governor in March along with Salim Hashem on behalf of Healthcare for All Hawaii. Back then, the Governor stated that he wanted to go in this direction and appoint the HHA. The Governor has also said that he wants a single payer system. Jory Watland also stated we need to be wary of using the term “Single Payer System.”

Rey Graulty stated we need to talk to the Governor first about our bills in order to discuss legislation before they are heard by Legislature. Stephen Kemble said that he met with Pat McManaman and she wants to go in the direction of HHA, but he believes her department is going in the opposite. Stephen Kemble stated Ken Fink believes in Medicaid Managed Care and probably won’t agree to this.

Stephen Kemble wanted to elaborate on strategy for having the Governor involved. Rey Graulty said that the Governor will need to be reminded of the importance of this system. Jory Watland wanted Rey Graulty to arrange a meeting with the Governor, but Rey Graulty said that it may be better for the Executive Director, Jory Watland, to call and arrange the meeting. Jory Watland wanted to make sure that we are assured a meeting, and this would be through Rey Graulty. Rey Graulty said he would try to arrange a meeting for Jory Watland and Stephen Kemble to meet with the Governor. Nathan Chang made a motion for these members to meet with the Governor on behalf of HHA, S. Peter Kim second the motion. All members voted in favor (5-0).

1. **Executive Director's Report on resolutions and bill proposal to the Legislature**

Jory Watland stated that he didn’t want just the three pieces of legislation to be the sum of the HHA efforts for 2012. He reported on the meetings that he’s held with members of the Legislature. He spoke with the House Health Chair and Senate Human Services Chair. He also scheduled a meeting with the Senate Health Chair for this upcoming Thursday and he is trying to meet with the House Health Chair as well.

Nathan Chang said our greatest concern is where the Governor stands. He said he is interested if there are any roadblocks or if the Governor is not receptive and doesn’t back the ideas. Jory Watland also stated we need to also have a ninth member appointed. Rey Graulty also said that we need money for the board. We’ll need to know the amount and what it will be used for. He said that we need money for administrative support as well as having experts in the field for testimony. Rey Graulty suggested the amount of $100,000 should be sufficient. Stephen Kemble agreed that this amount will be a good start and that we will need to have someone research the waivers that we’ll need. Rey Graulty said that he rather leave the title of “Executive Director” up to the Legislature for technical language. Rey Graulty motioned to request this amount to the legislature and Stephen Kemble seconded the motion. The board voted unanimously (5-0). The bill for the appropriations will be drafted by legislative support staff.

1. **Adjournment**

Meeting was adjourned at 5:04 PM. The next meeting is scheduled for January 23, 2012.