**HAWAII HEALTH AUTHORITY**

Department of Budget and Finance

STATE OF HAWAII

 **Minutes of Meeting**

 **Date:** Monday, October 22, 2012

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

 University of Hawaii

 651 Ilalo Street

MEB Room 202

Honolulu, HI 96813

\*\* VTC with Maui Memorial Medical Center was cancelled.

1. **Call Meeting to Order**

The Hawaii Health Authority meeting was called to order at 4:01 P.M. by Jory Watland.

**HHA Members present:**

Nathan Chang

Ritabelle Fernandes

Stephen Kemble

S. Peter Kim

Ginny Pressler (Left at 5:10 pm)

Marion Poirier

Jory Watland

**HHA Members absent:**

Les Chun

Rey Graulty

 **HHA Guest present:**

 Beth Giesting, Office of the Governor

1. **Review of Meeting Minutes October 8, 2012**

One change proposed. First paragraph on last page, changed from “… however, the groups are in conflict with each other in those areas” to “…groups are in conflict on how to deal with Medicaid.” S. Peter Kim motioned to approve the minutes. Marion Poirier second the motion. The board voted to approve the minutes (6-0, Nathan Chang arrived after vote at 4:11 pm).

1. **Report from Legislative Committee and Definition Committee**

Neither committee met; however, the Definition Committee presented revised definitions for new members to voice their opinions. Ritabelle Fernandes gave a brief background on the approach of the Definition Committee. She stated that the definitions were broad, aspirational and idealistic. Ginny Pressler stated that this was an important clarification to make. The definitions are a draft document and will be discussed at a future meeting.

1. **Report from the Hawaii Healthcare Project**

There is no report since the last meeting.

1. **Report from Personnel Committee**

The Personnel Committee met. They had looked at resumes, history, and availability. The committee met with someone extensively and felt like they had someone that would take HHA from where they are to where they need to go. They presented their interest in moving forward with Beth Giesting, Office of the Governor, in order to place a purchase of service agreement. Beth Giesting met with someone in the procurement office, and she stated that the procurement process has changed. Any contract that is $0-$15,000, there needs to be three applicants with verbal interviews. If it is a contract for $25,000, there needs to be a written proposal and there needs to be a review of the bids. Jory Watland stated to Beth Giesting that he did not feel there were three people that could meet the criteria needed for HHA. S. Peter Kim asked about the removal of funds from the Governor’s Office to the Department of Budget and Finance. Jory Watland stated that the Governor’s Office is hesitant to move the funds to the Department of Budget and Finance. Jory Watland stated he was frustrated because he was under the impression that this type of contract wouldn’t take this much time and administrative work. Jory Watland stated that this agenda item would be tabled until Beth Giesting arrived.

1. **Presentation: “Transitioning and Moving Beyond Affordable Care Act”**

Dr. Kemble presented a presentation to the HHA board regarding the Affordable Care Act and moving beyond this legislation. (The presentation can be found at <http://hawaii.gov/budget/hha/presentations-from-hha-meetings/Hawaii-%20Transitioning%20and%20Moving%20Beyond%20ACA%2010-22-12.pdf>). In summary, his presentation detailed the legislative authority of HHA, problems with the US healthcare and Hawaii’s Medicaid program, a summary of the Prepaid Healthcare Act and the Health Transformation Initiative. He also detailed the HHA vision and roadmap for health care in Hawaii, including cost implications.

Ritabelle Fernandes stated that one issue with care coordination for Medicaid patients is the difficulty in finding the service coordinator because of inability to disclose information. She stated that the care coordination is not working. Stephen Kemble added that there is unnecessary administrative hassle and a waste in time for 1 out of 4 of his Medicaid patients. He continued to say that the main difference between HHA’s roadmap and the Hawaii Health Initiative is Medicaid, and in every other aspect we’re on the same page. Ginny Pressler asked if Stephen Kemble has met with the Department of Human Services. Stephen Kemble stated that he has, but they have ignored his heed for change. He said that he hoped that HHA could come together with the Hawaii Health Initiative, agree on a common vision, and use resources to bring everyone together for implementation. He said, however, until they agree on Medicaid, HHA won’t be able to get anything off the ground.

S. Peter Kim said we’re doing the right things and coming up with the best of everything; however, the Department of Human Service continues to do what they want and Medicaid patients continue to not have access. He asked how HHA could prevent this irrational practice. Stephen Kemble stated that we need to agree with the Hawaii Healthcare Project or we will continue to move in opposite directions and Medicaid patients will continue to suffer. Jory Watland stated that this problem is not solely in the Medicaid population and stated SNAP population also suffers. He said that the state of Hawaii did not make any application to the excess SNAP federal monies that were available, even though there was no time limit. At the same time, the eligibility for SNAP was reduced. He said that 20-30,000 people are eligible for SNAP; however, they don’t have access to the SNAP card. He said that what HHA needs to look at maximizing Medicaid as a funding source.

Ritabelle Fernandez stated another problem with the Medicaid population is the use of ambulatory services as a transportation service. This is because non-medical transportation was cut off from coverage and medical transportation is limited. Jory Watland stated this is due to a lack of system and HHA has a plan based on what we know from other countries. He stated that because Hawaii is isolated, if HHA sets up a system, it doesn’t mean Hawaii will be inundated with people relocating just for health care. He wants to know the total amount businesses and employees pay into the healthcare system and estimated it to be around $800 million to $1 billion. He stated that this isn’t money that the State controls. He also stated a concern that public employees are paying 50% of costs, whereas if they worked in the private sector, they wouldn’t need to pay as much. He also mentioned another problem with employer behavior to bar employees from receiving coverage by avoiding Prepaid Healthcare Act.

Stephen Kemble stated he had preliminary discussions with AlohaCare about combining Medicaid and having the community centers being a subsystem. He also talked to people from HMSA and they agreed that competition is counterproductive. He stated that local plans would buy into the HHA plan; however, the mainland plans would not buy into it. Ritabelle Fernandes mentions that these Medicaid plans have had sanctions and Stephen Kemble added that they should be disqualified because they have been sanctioned.

1. **Report from Personnel Committee continued**

Beth Giesting arrived at the meeting and HHA resumed the “Report from Personnel Committee” agenda item. Jory Watland stated that we want to move to address this Medicaid issue and we need the response on how to execute a contract. Beth Giesting stated that HHA needs to have three bids for a small purchase contract, in terms of the procurement law. The Director of Budget and Finance stated it would be reasonable to assume that it would be difficult to find someone, but there would still need to be two other bids submitted for record. Beth Giesting clarified that no advertising requirement is necessary. Stephen Kemble clarified that HHA would need to find someone that would look over the scope of work and submit a bid, even if it is more than the $25,000. Beth Giesting stated that it is not expected that HHA will find someone else to meet all the requirements, but it is important to go through the process. Nathan Chang stated that the catch is trying to find someone who would submit a bid. Beth Giesting stated that even a documented phone conversation would suffice.

Jory Watland stated that until we have a person on board, we’re not going to be able to spend the other $75,000 because of the barriers placed in trying to submit the bid. Stephen Kemble stated he knew someone that may be interested in submitting a bid. Beth Giesting said that because state money is in question, there is a certain amount of process that needs to be followed and what is requested is not too cumbersome. She also stated that scope of work would need to continue to follow sunshine law. Jory Watland said part of his frustration is that these are new steps introduced under the procurement process. Beth Giesting recalls this procurement law being executed in the early 2000s. Marion Poirier suggested that the Personnel Committee would need to meet again. Nathan Chang stated that this was very little process to follow in terms of the procurement process and he also had someone in mind.

Nathan Chang also questions why the HHA wasn’t funded also fully staffed in the first place. He asked what the message was to HHA from the legislature. He stated that we’re working as a task force as we make recommendations, but this isn’t what HHA was supposed to do. He questioned what HHA’s connection to the health care world and he feels that HHA is just drifting out there. Stephen Kemble stated the best way to connect is to merge with the Hawaii Healthcare Project in order to gain clout. Nathan Chang reminded the group that we aren’t in agreement so collaboration is difficult. Marion Poirier said that sooner than later, HHA will need to meet with the Hawaii Healthcare Project and go through point by point what is agreed upon. Stephen Kemble stated that HHA is very close and there are many points that are agreed upon.

Jory Watland stated he understands the frustration. Stephen Kemble stated that HHA is supposed to establish a vision and Jory Watland added that the Health Futures Taskforce created a vision that is much more comprehensive than what HHA developed. Marion Poirier stated many states endure the same frustrations as we are facing, but we need to be tenacious. Nathan Chang stated he understands and acknowledges that other members of HHA have been working towards this goal for many years and this may seem as progress. Jory Watland stated that from where we started in 2011, he feels HHA isn’t progress, especially now with a block with the procurement process. Nathan Chang stated he feels that this process is a lot easier than the process for reimbursement at the University. He concluded by stating we just need more clarity for our purpose.

1. **Adjournment**

Meeting was adjourned at 5:32 PM. The next meeting will be on November 19, 2012 at 4:00 pm.