**HAWAII HEALTH AUTHORITY**

Department of Budget and Finance

STATE OF HAWAII

 **Minutes of Meeting**

 **Date:** Monday, October 8, 2012

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

 University of Hawaii

 651 Ilalo Street

MEB Room 202

Honolulu, HI 96813

1. **Call Meeting to Order**

The Hawaii Health Authority meeting was called to order at 4:05 P.M. by Jory Watland.

**HHA Members present:**

Nathan Chang

Les Chun

Ritabelle Fernandes

Stephen Kemble

S. Peter Kim

Ginny Pressler

Marion Poirier

Jory Watland

**HHA Members absent:**

 Rey Graulty

 **HHA Guest present:**

Beth Giesting, Office of the Governor

1. **Review of Meeting Minutes from September 24, 2012**

No changes were recommended to the minutes. Marion Poirier motioned to approve the minutes. S. Peter Kim second the motion. The board voted to approve the minutes (6-0, Nathan Chang and Ginny Pressler abstained).

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

No reports from the Legislative Committee and the Definition Committee.

1. **Presentation of Budget Proposal for appropriated $100,000**

Jory Watland wants to transfer the appropriated funds to the Department of Budget and Finance. He would want to establish an account at the Department of Budget and Finance and also would want to have a fiscal officer from the Department of Budget and Finance to guide the HHA. He also believes there may be potential conflict with where the funds are placed and he wants the HHA to stay focus on what they are required to do under statutory authority. He opened discussion to the board.

Stephen Kemble clarified that transferring the funds to Department of Budget and Finance would place the funds in the same department that is administratively tied to the HHA. Jory Watland confirmed this statement and Stephen Kemble said he’d be in favor. Les Chun wanted to clarify what the potential conflict would be. Jory Watland stated that there are health activities occurring that aren’t necessarily consistent with HHA priorities. Les Chun asked if this move was meant to secure HHA funds, and Jory Watland confirmed. Marion Poirier was also in favor with this proposal. Les Chun asked if the HHA would ask the Director of Budget and Finance to move funds and ask someone to monitor it. Jory Watland said that ordinarily each department has someone who monitors funds that move in and out of departments and at this point; however, HHA would need to request the Governor to move the funds to the Department of Budget and Finance. Les Chun said that he agrees to the principle of the plan, but said if he was the Governor, he would have questions about how HHA would use the funds. Jory Watland said that if we were housed in the Department of Budget and Finance, we would be able to do purchase agreements and move quickly to have people work with HHA.

Ginny Pressler asked what HHA is trying to achieve with the appropriated funds. Jory Watland said under the HHA duties and responsibilities that HHA “shall be responsible for overall health planning for the state and shall be responsible for determining future capacity needs for health providers, facilities, equipment, and support services providers. The HHA should develop a comprehensive health plan that includes” the five points. She asked how we are going to do all of this with $100,000 dollars. Stephen Kemble stated the appropriated funds were merely a startup fund to help the HHA move. Marion Poirier said once we get these funds moving, the HHA can do basic things such as ask for more funds and tweak our statutory authority. Ginny Pressler said that since the HHA statute was passed, many things in health care have changed. Jory Watland added that the HHA statute hasn’t changed. He stated that after the HHA asks to transfer the funds, then they can start working on what to do with the funds. Marion Poirier said that the correct thing to do would place the funds under the Department of Budget and Finance since that department is who we are administratively under. Ritabelle motioned to move the funds, Stephen Kemble second the motion. The board voted in favor to this motion (8-0).

Jory Watland wanted a purchase of service for $25,000 to get an individual to work with HHA on specific activities. He stated a purchase of services allows the HHA to move quickly and the agreement would be limited to $25,000; however, a contract with an employee would include a longer process. Marion Poirier stated she didn’t understand the $25,000 limitation. Jory Watland stated that once you go beyond $25,000, it becomes much more complicated. He said that the purchase of service would be the mechanism to hire someone who would be willing to work with us until June 30, 2012. He said that this would allow someone to work on HHA matters between meetings. Stephen Kemble clarified that this would allow the HHA to avoid fringe benefits, and Ritabelle stated it was like a loop hole to avoid extra costs.

 Les Chun asked if we would get the quality the HHA would need for $25,000. Stephen Kemble stated that if the HHA would be able to get a qualified individual, he’d be in favor. Les Chun wanted a bigger picture of what we were doing instead of a piece meal approach. Jory Watland had a suggestion for an individual and stated that one individual has a PhD and an MS who worked as a special assistant to the Department of Health, worked as the number one aide to the Director of Health, and has worked on a number of block grants for maternal and child health. He wanted someone who has worked with the government in order to be able to move within the administration.

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

Ginny Pressler reported for the Hawaii Healthcare Project. She presented a powerpoint presentation by the Hawaii Healthcare Project presented on July 25, 2012. The powerpoint summarized the importance of transformation, the Affordable Care Act and Hawaii, and included an overview of Phase I of the Hawaii Healthcare Project. (The powerpoint presentation can be found at <http://hawaii.gov/healthcare-transformation/resources/bg-ppt-final.pdf>.) She also distributed a draft of the HAHP Recommendations on Patient Centered Medical Home.

 Stephen Kemble stated that the HHA submitted a report to the legislature last December and this report was not allowed to be on the agenda and not allowed for discussion. He also stated that there are many problems that aren’t being addressed, including the lack of access for Medicaid patients. Ginny Pressler disagreed and stated that the report was distributed to members; however, Stephen Kemble said that it still was not put on the agenda. S. Peter Kim asked how Stephen Kemble interpreted this. Stephen Kemble felt that the Hawaii Healthcare Project had its own agenda from the beginning and it was pushed this way. Ginny Pressler asked how the HHA proposal would fit in with federal law. Stephen Kemble stated that a coordinated delivery system similar to North Carolina could be established, but an insurance driven managed care system isn’t the answer. He feels that the Medicaid managed care system is an obstacle to the HHA goals.

 Jory Watland said that there are implications that the Prepaid Health Care Act will disappear because its employer based. Ginny Pressler said if you look at the minutes from the ACA/PCMH meetings, the intent is to protect the Prepaid Health Care Act. Jory Watland asked how this would happen. He stated that there is also a problem with dental care in Hawaii and the Prepaid Health Care Act isn’t magic. Ginny Pressler asked if the HHA mainly works on Medicaid, and Jory Watland stated that was not the case. Marion Poirier said there doesn’t seem to be a strategic plan in place for the vision at the end of the tunnel for a single payer plan. She said that everything seems only to be a band-aid or quick-term fixes. Ginny Pressler asked if the focus of HHA to date is working on single payer. Jory Watland said that the HHA goal is universal care. He said that medicine is not health and these terms should not be synonymous. Ginny Pressler said she shares Jory Watland’s goal, but the question is how to get there. Les Chun also reiterated Ginny’s point and said that whether or not HHA is right, the Hawaii Healthcare Project is miles ahead of HHA because they have funding. He said philosophically both groups are on the same page, but we need to find a way to work together and stated that the $100,000 appropriated alludes to the impact that the legislature intended this group to have. Stephen Kemble agreed that HHA and the Hawaii Healthcare Project shares similar areas; however, the groups are in conflict with each other in those areas.

 Jory Watland stated that there is a high probability of conflict because the Prepaid Health Care Act will be hindered by insurance exchanges. Ginny Pressler said that the Hawaii Healthcare Project is trying to protect the Prepaid Health Care Act and that their committee is trying enable both mandates to coincide with each other. Ritabelle Fernandes commented and disagreed with Les Chun’s statement that $100,000 is tied to the importance of a project. She said we need to continue to move to passing a proposal for hiring. Jory Watland thanked Ginny Pressler for her presentation and stated that there wasn’t anything mentioned that is irreconcilable between the two groups.

Jory Watland moved to return to discussion regarding the budget moving to the Department of Budget and Finance. He also wanted to have the board consider the purchase agreement with an individual who is qualified to carry out the duties of the HHA. Les Chun stated that he would want to have a committee made from members of the HHA to help with the hiring process. Jory Watland had concerns with this provision as it may slow down the hiring process, but it was clarified that Les Chun suggested a selection committee and not to engage in a hiring process, such as ads in newspapers. Jory Watland agreed to this proposal on the condition that he would chair this committee. Marion Poirier motioned to create the personnel committee comprised of Stephen Kemble, Jory Watland and Marion Poirier. Ritabelle Fernandes second the motion. The board voted in favor of the creation of this committee (8-0).

1. **Adjournment**

Meeting was adjourned at 5:22 PM. The next meeting will be on October 22, 2012 at 4:00 pm