**HAWAII HEALTH AUTHORITY**

Department of Budget and Finance

STATE OF HAWAII

 **Minutes of Meeting**

 **Date:** Monday, May 7, 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 4:05 P.M. by Jory Watland.

**HHA Members present:**

Ritabelle Fernandes S. Peter Kim

Nathan Chang Marion Poirer

Stephen Kemble Jory Watland

**HHA Members absent:**

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*The below agenda items were taken out of order*

**II. Review of Meeting Minutes from April 16, 2012**

The minutes were approved with no changes. S. Peter Kim motioned to accept the minutes. Marion Poirier second the motion. All voted in favor (6-0).

**III. Update on membership of the Hawaii Health Authority**

This agenda item was tabled.

**IV. Report on meeting with Healthcare Transformation Council**

Stephen Kemble presented the North Carolina model that is being reviewed by the Healthcare Transformation Council. He stated that last week, he met with Ginny Pressler and Beth Giesting and they stated that while they agree with him, they wouldn't be able to reverse Medicaid Managed Care in time. Director Pat McManaman also stated she'd find difficulty in reversing Medicaid Managed Care as well because of the complexity with RFPs and such. Dr. Stephen Kemble stressed the importance of meeting with Ken Fink from the Department of Health and Human Services in order to address Medicaid issues.

 Jory Watland stated that what is happening in North Carolina would be a significant first step, but is not our end goal; this model would be closer to what we want. Stephen Kemble said that the key of their delivery system is that its organized around three points: 1) its organized by doctors and primary care, 2) have coordinated community teams to address gap groups, 3) have a shared incentive system so everyone is accountable to it. With this system, there is no place for insurance companies to manage care. Stephen Kemble also shared results of the Hawaii Medical Association survey to assess doctor interactions with Medicaid. He mentioned the sample size was only 45 doctors and that there was a 2:1 ratio of specialists to primary care doctors. Of the primary care doctors that responded, only 8 were treating Medicaid patients. Six out of those 8 were taking new Medicaid patients: 5 of the 6 were taking HMSA/Quest, and 3 of the 6 were taking Evercare and Ohana and Alohacare. Stephen Kemble stated that the current reform model would not increase doctor participation in Medicaid. Stephen Kemble mentioned that there were twice as many doctors willing to participate with HMSA versus the other managed care plans, so there may be more buy in from doctors if HMSA were the administrators. Jory Watland had questions on how this would affect primary care centers. Stephen Kemble stated that private sector doctors would need to be willing to be Patient Center Medical Homes and take Medicaid patients. They and the health centers would have access to the same community care coordination services. All payers would pay into a public utility fund that would fund community care coordination. Jory Watland still had concerns about how the money would be divided amongst the different players. Stephen Kemble stated that overall the system will see overall savings, but was unsure how the structure would specifically distribute the savings.

 Jory Watland said is that we should also work with the Department of Human Services to expand Medicaid coverage. Stephen Kemble noted that the Medicaid 1115 waiver was up for renewal this year, and Jory Watland stated that this is something important for us to receive support from the state in a timely fashion.

**V. Discussion on proposal of letter to Kenny Fink, State Medicaid Director**

Ritabelle Fernandez stated that the renewal of the Medicaid 1115 waiver would need to be addressed in the letter to Kenny Fink. Jory Watland mentioned that he would need help in drafting the letter if he would be the one to send it to Ken Fink. He stated that when we sit down with Ken Fink, we'll need to assess where he's at, what his goals are and where he's going. Stephen Kemble stressed the importance of trying to "unstick" Ken Fink from the Medicaid Managed Care model is not working and to stop the renewal of the Medicaid contracts in June. There was discussion within the Hawaii Health Authority about the various contract violations in Medicaid. Heidi Rian stated that the Procurement Office handles contract renewals; however, the Department of Human Services actually handles and monitors the contracts. Nathan Chang wanted to ensure that the meeting with Ken Fink will take a different tone in order to gain much needed information about Medicaid and to understand his stance. The draft letter to Ken Fink would be shorter than the version previously distributed. Ritabelle Fernandez suggested eliminating a section of the letter which indicates the flaws of the Medicaid system.

There was discussion about the Medicaid 1115 Waiver that would allow for the increase of FPL to 300%. Stephen Kemble mentioned it is important to differentiate between which Medicaid 1115 Waiver we are addressing.

There was discussion on when to schedule the next meeting with Ken Fink, as members of HHA will have conflicting schedules and will have difficulty in reaching quorum. The next HHA with Ken Fink will be determined in the future in order to compare member schedules against Director Ken Fink.

**VI. Report on status of bills and resolutions from 2012 Legislative Session**

The resolutions did not pass. The SNAP bill was also dissipated. The funding appropriation was passed starting July 1, 2012 and its coming out of the Office of the Governor.

**VII. Discussion on the creation of Advisory Committee to the Hawaii Health Authority**

This agenda item was tabled.

**VIII. Adjournment**

Meeting was adjourned at 5:16 PM. The next meeting will be determined.