**HAWAII HEALTH AUTHORITY**

Department of Budget and Finance

STATE OF HAWAII

 **Minutes of Meeting**

 **Date:** Monday, July 23, 2012

**Places:** 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 4:20 P.M. by Jory Watland.

**HHA Members present:**

Nathan Chang S. Peter Kim

Ritabelle Fernandes Jory Watland

Stephen Kemble

**HHA Members absent:**

 Rey Graulty

 Marion Poirier

1. **Review of Meeting Minutes from June 18, 2012**

Minutes were reviewed. One change made to spelling of Bruce Coppa. S. Peter Kim made to approve minutes, Nathan Chang second the motion.

1. **Discussion with Director Patricia McManaman, Department of Human Services and Dr. Ken Fink, Director of Medicaid**

Jory Watland opened discussion to the board in order to ask questions of the Department of Human Services (DHS) and answer questions that DHS may have. Stephen Kemble briefly summarized a letter that was sent to DHS. He summarized the vision that the Hawaii Health Transformation Council has for the state of Hawaii to move in the direction of South Carolina model. Jory Watland also added that the Hawaii Health Authority had previously submitted a resolution to explore the 1115 waiver to increase eligibility to 300% Federal Poverty Level (FPL). Pat McManaman asked why the Hawaii Health Authority was looking at Medicaid as a driver of health care, when the PPACA subsidies would apply to those up to 400% FPL. She stated that if she was in her position years ago while Medicaid was expanding, she said she would expect co-pays because she feels its unsustainable that the State and federal government can carry on without co-pays. While she stated she didn’t have all data, figures, actuarial numbers and tables with her, but she said she has fundamental questions about this direction and the health care system and she stated that PPACA will help to close the gap. She feels we have structural problems but doesn’t feel coverage will be the leading issue in health care. Stephen Kemble said the biggest driver of cost isn’t people over utilizing care, but that people aren’t getting adequate access to care. Pat McManaman stated that insurance will not be an issue in the near future. Jory Watland stated that there are many issues that surround health and that the Hawaii Health Authority is looking at providing health care equally to all people in the State of Hawaii.

Ken Fink asked about the purview of the Hawaii Health Authority and if it includes public and population based health intervention. He stated that when we look at evidence, and we want to make evidence based decisions, health care may only contribute 10% on health status. He hopes that this group would make recommendations to look at robust population health interventions. He continued that when we look at Medicaid rolls, which is what the State has the most direct control over expenditure; however, although Medicaid covers 20% of the population, Medicaid is not where the money is flowing. He claimed it only contributes to approximately 13% of the health care expenditure. While looking at controlling Medicaid costs, he said health care expenditures in Medicaid have increased at only 2.8% compared to 6% state wide. This is due to controlling reimbursement in Medicaid. He stated Medicaid enrollment has also increased substantially over the last couple of years. He said we should question if we should look at Medicaid because it will directly affect costs the most or if it is only what we can control the most.

Pat McManaman stated that she was interested in pursuing talks with EUTF in the future and stated combining EUTF and Medicaid would comprise of 40% of the State’s health care dollars. She also mentioned that to sustain impact, HHSC would also need to be brought in to talks. Stephen Kemble agreed and said that an integrated Medicaid system in South Carolina was offered to State workers. Ken Fink commented that he was attending a meeting with South Carolina’s Medicaid director and members of their legislature because they were looking to switch to managed care. He said to question the assumption that they had the best option. Ken Fink also said that expansion of Medicaid eligibility is also not the best way to bring down the maximum amount of federal dollars when compared to the health insurance exchange. Pat McManaman stated that things are changing and Ken Fink said to proceed with caution. He mentioned that pay for performance and patient center medical homes may not be as good as proposed. He continued to state that administrative waste and over treatment may be other pieces to address. There was discussion about the importance of the health centers and innovation within these centers to expand services. Ken Fink stated that we should leverage these centers more, such as shared savings plan.

Jory Watland mentioned that we want to have a healthy community that requires many fewer services from our system, so Medicaid is not the only facet we should focus on. He mentioned the HHA motto of “More for more for less” to the members of DHS. Ken Fink and Director Pat McManaman stated that they agreed with the core prinicples of HHA and would look forward to working more collaboratively in the future.

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

This item was tabled in interest of time. Will be placed on next agenda.

1. **Report from the Hawaii Health Transformation Council**

This item was tabled in interest of time. Will be placed on next agenda.

 **VIII. Adjournment**

Meeting was adjourned at 5:38 PM. The next meeting will be on August 20, 2012.