

B. Insuring a Healthy Hawai`i

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Background

Policy Areas and Goals

The goal of the Work Session on Insuring a Healthy Hawai`i is to bring together policy makers, practitioners, stakeholders, consumers and researchers working in the area of health policy issues and begin a deliberative process which forms a common ground for action. There are several clear indicators on the horizon that will pose a challenge to communities desiring to insure that citizens receive the medical care and health insurance they need. The demographic indicators for the nation and Hawai`i point to a rapidly rising aging and disabled population over the next 20 years. Medicaid costs across the nation and in Hawai`i are rising substantially and states and the federal government are not able to meet the increased costs. In the public sector, states are reducing eligibility levels, freezing provider costs and or reducing benefit packages. Some states require co-payments on the poor who receive services. In the private sector, employers are reducing coverage or increasing employees' co-payments in response to increasing health insurance costs. Long term care costs are continuing to rise as are the costs of prescription drugs with no national coverage for consumers. Medicare and Medicaid are facing their strongest challenge to date. Can these programs be sustained? Will these programs survive?

With the increasing drain of federal, state and local dollars going into health care, other important issues of community interest may get delayed or ignored. Entitlements are difficult to reduce or revise. Increasing out of pocket costs for consumers and increasing costs for employers result in economic strain in the community. Important questions for this group include the following. How will the increasing costs of financing our health care system effect other essential issues in our community? What will the health care system look like in the next 10-20 years as demand outruns the community's ability to pay? How can the high quality of Hawai`i's health care be sustained in the future in the context of such a difficult future?

A policy summit sponsored by the Hawai`i Uninsured Project was held in Honolulu in November, 2001. The goal of that project was to examine methodologies for the state of Hawai`i to insure its uninsured with adequate health insurance. After significant dialog among a variety of groups, the Department of Health along with the University of Hawai`i, the Hawai`i Institute of Public Affairs and other community groups secured a federal grant to continue this dialog and conduct economic models to examine the cost-benefit analysis for several policy options and alternatives that are being developed. The Public Policy Center wants to support this innovative collaboration and support the process and outcome. This workgroup will be asked to look ahead and begin to prepare for the future when new opportunities for policy alternatives may arise.

Beginning Policy Thoughts:

In order to frame the dialog, we have begun to list some policy options for discussion. Our first task as a group will be to review this list and add others as needed. Some examples are analyzing:

- the existing federal health insurance programs
- state-only programs
- Hawai`i's employer based mandated coverage
- the existing health insurance market
- the safety net
- a single payor insurance system
- the Employer Retirement System
- a state (or federal) prescription drug coverage plan
- re-structuring Medicare
- re-structuring Medicaid
- State/private coordinating board for health data
- data sharing in the world of HIPAA
- future "partnerings"

Health Insurance Data

Recent tabulations by Russo et al. suggest that an estimated 9.6% of Hawai`i's population are without health insurance coverage during the entire year of 2001. This is about 117,000 people. While Hawai`i had been known as the Health State for many years, and had the lowest number of uninsured in the nation, this number, while perhaps not the lowest in the nation, is below the national average estimated to be about 15%. It is important to collect these data and design on-going partnerships to keep these data up to date and accessible for researchers.

Issues

It is hoped that this group will be able to look ahead and suggest continuing collaborations and strategies for on-going support of good policy initiatives. For example, we might want to discuss the need for the development of a state/private coordinating board for policy analyses, data repositories and on-going institutional supports. Where do we want to be 5 years from now and what are the next steps to getting there?

This policy group will exchange viewpoints, research and experiences on policy options from different perspectives. Hopefully, by bringing together a broad based group of interested and experienced people, we will be able to develop a policy agenda that addresses a few fundamental issues that are problematic to Hawai`i. If there is sufficient interest and commitment among the participants, the group may form a core of a long term collaboration of individuals dedicated to addresses these concerns and finding solutions.

The College of Social Sciences Public Policy Center would like to be available to facilitate and support this effort.

This policy group will bring together a collection of scholars and practitioners committed to improving the health care of Hawai`i's citizens. While each group member may come from a different perspective and has different experiences and expertise, the premise of bringing this

divergent group together is that each can learn from another and build problem solving constituencies.

The deliberative dialog format permits the synthesis of many different experiences and perspectives into a shared framework of understanding. Hopefully there will be time to explore pro and cons of options, get beyond the initial “positions” to learn about what people feel is truly valuable; weigh carefully the views of others and identify a shared sense of policy direction and range of action that are consistent with one another.