
HOUSE CONCURRENT RESOLUTION

RESPECTFULLY REQUESTING THE PARTICIPATION OF THE GOVERNOR OR THE GOVERNOR'S DESIGNEE IN A JOINT LEGISLATIVE/EXECUTIVE BRANCH WORK GROUP DEDICATED TO FINDING AFFORDABLE SOLUTIONS TO HAWAII'S HEALTHCARE CRISIS.

1 WHEREAS, the cost of healthcare in Hawaii and the nation is
2 escalating exponentially, and Medicaid reimbursements are
3 frequently less than the actual cost of the medical care
4 provided; and
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6 WHEREAS, health insurance premium costs, long-term care
7 costs, and prescription drug costs are rising rapidly; and
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9 WHEREAS, in April 2003, the Hawaii Medical Service
10 Association (HMSA) filed documents with the state Insurance
11 Division requesting an average rate increase of 11.5 percent for
12 its small-business and community-rated groups, and a 9.9 percent
13 increase was approved; and
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15 WHEREAS, in 2005, HMSA raised rates 4.9 percent for its
16 community-rated groups and have requested an additional 3.8
17 percent increase in 2006 for its Preferred Provider Plan, which
18 is the most popular plan for Hawaii's insured; and
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20 WHEREAS, Kaiser Permanente, the state's second largest
21 insurer implemented an 11.7 percent rate increase in 2004 to
22 finance multi-million dollar new construction projects and a new
23 medical record system; and
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25 WHEREAS, at the beginning of 2006, Kaiser Permanente
26 implemented a three percent increase; and
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28 WHEREAS, technological advances in the provision of
29 healthcare services is another factor in increasing healthcare
30 costs, and although this new technology has greatly improved the



1 quality of life for patients, it has also resulted in higher
2 costs; and

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4 WHEREAS, it is estimated that new technology is responsible
5 for almost 50 percent of the total increase in healthcare costs
6 over the last 30 years; and

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8 WHEREAS, while Medicaid and QUEST provide health coverage
9 for some of the uninsured, coverage is usually minimal and there
10 is still a "gap group" that is neither insured nor eligible for
11 Medicaid or QUEST; and

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13 WHEREAS, as healthcare costs escalate, hospitals and
14 nursing homes suffer massive financial losses, in part because
15 of inadequate reimbursement rates that do not even cover the
16 actual cost of care; and

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18 WHEREAS, a decade ago, Hawaii led the nation in having the
19 highest rate of insured individuals, but has since dropped to
20 tenth, with over 120,000 uninsured individuals; and

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22 WHEREAS, a solution needs to be provided soon to prevent a
23 further increase in the number of uninsured and to prevent
24 increased state Medicaid and other healthcare costs; now,
25 therefore,

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27 BE IT RESOLVED by the House of Representatives of the
28 Twenty-third Legislature of the State of Hawaii, Regular Session
29 of 2006, the Senate concurring, that the Legislature
30 respectfully requests the participation of the Governor or her
31 designee in a joint Legislative/Executive Branch Work Group
32 (Work Group) dedicated to finding affordable solutions to
33 Hawaii's healthcare crisis; and

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35 BE IT FURTHER RESOLVED the Work Group should include:

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37 (1) Three members appointed by the Governor;
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39 (2) Three members appointed by the President of the
40 Senate;
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42 (3) Three members appointed by the Speaker of the House of
43 Representatives;
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- 1 (4) Two members appointed by the Insurance Commissioner;
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- 3 (5) One member of the National Association of Social
- 4 Workers - Hawaii Chapter; and
- 5
- 6 (6) One consumer advocate;
- 7

8 and

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10 BE IT FURTHER RESOLVED that the Work Group select a

11 chairperson from among its members and the number of members

12 necessary to constitute a quorum to do business consist of a

13 majority of all members of the Work Group; and

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15 BE IT FURTHER RESOLVED that the Work Group should include

16 healthcare leaders statewide in addition to formally inviting

17 members of the 2005 Healthcare Task Force to address the growing

18 crisis in healthcare in Hawaii, which includes but is not

19 limited to:

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- 21 (1) Shortages in physician specialists on our Neighbor
- 22 Islands and in rural areas of the state;
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- 24 (2) Rising Medicaid malpractice rates for physician
- 25 specialists;
- 26
- 27 (3) Shortages in nurses;
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- 29 (4) Inadequate trauma teams statewide; and
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- 31 (5) Spiraling costs of all healthcare services;
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33 and

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35 BE IT FURTHER RESOLVED that among the subjects the Work

36 Group should consider are:

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- 38 (1) Recommendations on medical malpractice reform for
- 39 Hawaii;
- 40
- 41 (2) Incentives such as loan forgiveness or tax incentives
- 42 to attract healthcare workers to Hawaii's underserved
- 43 areas;
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- 1 (3) Expansion of federally qualified community health
2 centers with state funding to increase care for the
3 poor or uninsured;
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- 5 (4) High-deductible health insurance plans for uninsured,
6 younger individuals;
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- 8 (5) Facilitation of the on-going discussion about single-
9 payer, universal healthcare; and
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- 11 (6) Any proposed legislation to effect the purposes of
12 this concurrent resolution;
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14 and
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16 BE IT FURTHER RESOLVED that the Work Group take up the work
17 of the 2005 Healthcare Task Force, which expires on June 30,
18 2006; and
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20 BE IT FURTHER RESOLVED the Work Group should formally
21 invite current members of the 2005 Healthcare Task Force to
22 continue with the Work Group; and
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24 BE IT FURTHER RESOLVED the Work Group should meet at least
25 once quarterly during a calendar year and report annually, until
26 2010, to the Governor and the Legislature at least 20 days prior
27 to the start of each regular legislative session, beginning with
28 the Regular Session of 2007; and
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30 BE IT FURTHER RESOLVED that certified copies of this
31 Concurrent Resolution be transmitted to the Governor and the
32 2005 Healthcare Task Force.
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