



EXECUTIVE CHAMBERS

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HOUSE COMMITTEE ON HEALTH
The Hon. Ryan I. Yamane, Chair
The Hon. Dee Morikawa, Vice Chair

February 24, 2012
9:15 a.m. Room 329

Support for HCR 32
Study on the Efficacy of Combining State Government Policy,
Planning and Purchasing

Presented by Beth Giesting, Healthcare Transformation Coordinator

Chair Yamane, Vice-Chair Morikawa, members of the Committee, the Office of the Governor strongly supports House Concurrent Resolution 32. As noted in this resolution, the healthcare system matters to all of us as consumers and as payers. The State's stake in improving the healthcare systems rests both on its responsibility to all residents of the state and on its role as payer for health insurance for one-third of the population through Med-QUEST, the Employer-Union Health Benefits Trust Fund, and the Department of Health.

This Committee is well aware of the short-comings of the U.S. healthcare system (Hawai'i performs slightly better in some respects because of our unique prepaid health care act).

- We do well in catastrophic conditions but fail to encourage regular use of primary and preventive care.
- Our models of care result in fragmentation, leaving patients and their loved ones to coordinate services and medications with limited information.
- Health information technology, with its promise to improve quality, reduce errors, and slash waste, is unevenly used.
- Our system is inconvenient to many patients who generally need to make an appointment for even the most routine concerns or questions. Seeing a provider requires either taking time off work or falling-back on the emergency room.
- We perpetuate inequities in quality and access for disadvantaged populations and rural communities.

Fortunately, we can use a decade of innovation in healthcare delivery, payment strategies, and health IT plus opportunities in the federal Affordable Care Act to guide us in transforming healthcare.

This resolution proposes to study the feasibility of reorganizing public policy and purchasing that results in a better healthcare system. Such restructuring would be intended primarily to ensure that the

State takes advantage of emerging best practices for healthcare delivery and purchasing; however, it would also act as a catalyst to promote transformation across all sectors. Medicaid, the Employer-Union Health Benefits Trust Fund, and the Department of Health are likely to each fill their respective roles more effectively in a structure that ensures consistency between healthcare policy and purchasing. Some examples:

- 1) Patient-centered medical homes (PCMH). If the State's policy is to support PCMH, under the guidance of a single authority for policy and purchasing there would be agreement on the definition of PCMH services, target populations, and reimbursement. This consistency would probably influence commercial plans as well.
- 2) Health information technology. Since health IT is essential to health transformation, consistent policy and purchasing would be a lever to support quicker adoption and use of electronic health records, information exchange, and reporting across all healthcare providers.
- 3) Outcome measures. Measuring and rewarding performance requires working toward clearly articulated goals. Policy and purchasing consistency can serve to standardize metrics for priority goals.

I am pleased to point out that we can learn from some other transformation-minded states. Oregon, for example, includes under a single authority the following programs:

- Office for Oregon Health Policy & Research
- Oregon Health Policy Board/Health System Transformation
- Public Health Division
- Addictions and Mental Health Division
- Division of Medical Assistance Programs
- Oregon Educators Benefit Board
- Public Employees' Benefit Board
- Pharmacy Services
- Office of Client and Community Services (Children's Health Program)
- Office of Private Health Partnerships
- Oregon State Hospital

Of course, we will also look to other states and experts both here in Hawai'i and elsewhere in mapping transformation.

I would like to take this opportunity to inform you that we have launched a statewide campaign to engage stakeholders in identifying priorities and planning for healthcare transformation. In the weeks to come, we will be providing you with more information and hope you'll join us as your schedules allow.

Thank you for the opportunity to offer our support.



House Committee on Health
Friday, February 24, 2012
9:15 a.m.

HCR 32, Requesting the Governor's Office to Conduct a Study on the Efficacy of Combining State Government Health Policy, Planning, and Purchasing in a Single Agency in Order to Advance Transformation of Hawaii's Healthcare System and Universal Access to Care.

Dear Chairman Yamane and Committee Members:

The University of Hawaii Professional Assembly recognizes the many challenges that confront public employees and retirees regarding the providing of health care benefits. For a number of years UHPA with other unions have advocated reform measures that will strengthen the current Employer Union Health Trust Fund utilizing collective bargaining to better determine the allocation of limited resources between benefits and wages to create an appropriate balance in compensation. Further, employee organizations have advocated for an ability to create benefits that best reflect the needs of the employees and have the necessary flexibility to remain affordable and accessible. This long term engagement has created knowledgeable and skilled public employee advocates that understand health care policy, its delivery system, and the challenges of balancing cost against benefits.

HCR 32 supports a study on the creation of a single health care agency and should ensure that representatives of the public employee unions be an integral part of the efforts undertaken by the Governor's Office. UHPA encourages the Committee to be supportive of efforts to study health care and recognize the valuable contributions that public union representatives add to the discussion.

Respectively submitted,

Kristeen Hanselman
Associate Executive Director

UNIVERSITY OF HAWAII
PROFESSIONAL ASSEMBLY