SENATE CONCURRENT RESOLUTION


WHEREAS, Hawaii has long been a leader in advancing medical services and health care, advocating the importance of access to health care without discrimination, and implementing forward-thinking health care policy like the Prepaid Health Care Act of 1974; and

WHEREAS, Hawaii's benefits and protections have been threatened for four years by a hostile federal administration that has attempted to restrict and repeal the federal Patient Protection and Affordable Care Act and limit access to health care benefits and protections for pre-existing conditions and other conditions that can be difficult to treat; and

WHEREAS, it is in the best interest of the State for each and every Employer-Union Health Benefits Trust Fund and Medicaid beneficiary to have publicly provided, high quality, and affordable health care; and

WHEREAS, health care involves more than just medical insurance payouts, but also includes cost-saving preventative and early intervention measures, dental coverage, and mental illness treatment to prevent medical health conditions from becoming chronic, permanently disabling, or fatal; and
WHEREAS, under Hawaii's current health care insurance system, health insurance companies have used their unilateral control over how health care is organized and paid for to erect obstacles to care for patients through excessive prior authorizations, formulary restrictions, and networks with limited physician participation; and

WHEREAS, this system also burdens physicians and hospitals with administrative demands such as pay for performance, pay for documentation, and capitation, all of which require much more detailed documentation and data reporting while controlling and restricting payment for primary care in particular, resulting in physicians being driven out of practice or leaving the State; and

WHEREAS, health care rates are skyrocketing, creating an affordability and accessibility crisis for Hawaii's residents; and

WHEREAS, the two largest cost drivers of health care in the United States and Hawaii are:

(1) High administrative costs due to reliance on a competitive insurance business model that incentivizes denial and obstruction of care, micromanagement of doctors and hospitals, and attempts to avoid covering or paying for sicker and socially disadvantaged patients and populations, resulting in disparities in access to care; and

(2) The high cost of prescription drugs; and

WHEREAS, for more than a quarter of a century, Hawaii was far ahead of most other states and often called itself the "health state" because of the Hawaii Prepaid Health Care Act of 1974 and was once known for having a low percentage of residents without health insurance, which in 1994 was between two and five percent; and

WHEREAS, as a result of the coronavirus disease 2019 pandemic, thousands of Hawaii residents have lost their jobs and health insurance, making it critical for the State to support
struggling families by ensuring preventative care and limiting
out-of-pocket costs; and

WHEREAS, a publicly administered, self-insured Employer-
Union Health Benefits Trust Fund and Medicaid health insurance
model, with one payout agency for caregivers and providers,
adapted to meet the unique conditions of Hawaii, would be the
most cost-effective form of health insurance for Employer-Union
Health Benefits Trust Fund and Medicaid beneficiaries; and

WHEREAS, more than a majority of states, twenty-nine
altogether, have converted to self-insured plans where they
contract with outside vendors, such as Third-Party
Administrators or Administration Services Only contractors to
provide administrative services, including claims payment,
utilization review, disease management, and pharmacy benefit
management; and

WHEREAS, almost all states, forty-eight altogether,
including the State of Hawaii, have self-funded portions of
their health care, like Hawaii's pharmaceutical drug program;
and

WHEREAS, in Mississippi, its plan has been able to expand
benefits and access to quality providers year after year, and
has not increased premiums for active employees in the past six
years; and

WHEREAS, in Utah, self-funding is the choice of most large
employers, where eighty-five percent of employer health plans
are self-funded to control administrative costs, earn interest,
customize benefits, eliminate health insurance profit margin or
risk charge, and provide tax and pharmacy savings; and

WHEREAS, all twenty-nine self-insured states have received
top Triple-A or Double-A bond ratings from 2004 through 2017;
and

WHEREAS, a self-insured Employer-Union Health Benefits
Trust Fund and Medicaid health insurance system would be
beneficial for the following reasons:
(1) For state and county union members and their dependents, as well as their employers, it means assuring health care while removing or greatly simplifying negotiation of health benefits and reducing their cost;

(2) For Medicaid beneficiaries and for taxpayers, it means improved access to care, significant reductions in overall costs, increases in benefits, and the slowing of annual inflation cost increases, and a return from increasingly-uncaring, profit-driven health care to the restoration of human-need-driven, mutually-respectful, and caring patient-doctor-nurse- and other caregiver relationships, which in earlier times were fundamental to meaningful health care;

(3) For the local economy, it means keeping almost all health care dollars in the State;

(4) For government, it means having one integrated, electronic, health information database for unprecedented planning and cost-containment capabilities, and a relief from the perceived emerging problem of unfunded liabilities associated with long-term funding of government retiree health care benefits;

(5) For physicians, nurses, and other caregivers, it means less paperwork, less work-related stress, and more time to take care of patients covered by the Employer-Union Health Benefits Trust Fund and Medicaid;

(6) For hospitals, community health clinics, homecare providers, and long-term care facilities, it means sufficient and dependable annual financing through global budgets; and

(7) For Medicaid beneficiaries, it means accessible and affordable health care and relief from the increasing and constant worries concerning health care coverage inability; and
WHEREAS, the safeguarding of access to health care, the solidification of the essential health benefits that have changed thousands of lives, and the improvement of overall access to care requires the preservation of certain important aspects of the Patient Protection and Affordable Care Act and the expansion of access to care for residents of Hawaii; and

WHEREAS, S.B. No. 437, Regular Session of 2021, would authorize the Hawaii Health Authority to continue planning for the adoption of a universal, publicly-administered health care system covering all residents in Hawaii with a single payout agency, and would require the Employer-Union Health Benefits Trust Fund (EUTF) to become a self-funded program, end pre-funding of future benefits, and use existing money in the unfunded liabilities account for insurance reserves and a rate stabilization fund; and

WHEREAS, S.B. No. 983, Regular Session of 2021, would require EUTF and Medicaid to work with the Hawaii Health Authority to design self-insured health benefits programs that are consistent and as closely aligned as possible, using non-risk administrative services only contracts for necessary administrative functions; and

WHEREAS, section 23-51, Hawaii Revised Statutes, requires that, before any legislative measure that mandates health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies can be considered, there shall be concurrent resolutions passed requesting the Auditor to prepare and submit to the Legislature a report that assesses both the social and financial impacts of the proposed mandatory health coverage; now, therefore,

BE IT RESOLVED by the Senate of the Thirty-first Legislature of the State of Hawaii, Regular Session of 2021, the House of Representatives concurring, that the Auditor is requested to conduct a social and financial assessment of the adoption of a universal, publicly-administered health care system covering all residents in Hawaii with a single payout agency and the mandate for the EUTF to become self-funding as proposed under S.B. No. 437, Regular Session of 2021; and
BE IT FURTHER RESOLVED that the Auditor is requested to conduct a social and financial assessment of a mandatory health insurance coverage system in the form of self-insured health benefits programs for EUTF and Medicaid beneficiaries using administrative services only contracts for necessary administrative functions proposed under S.B. No. 983, Regular Session of 2021; and

BE IT FURTHER RESOLVED that the Auditor is requested to submit a report of the Auditor's findings and recommendations, including any proposed legislation, to the Legislature not later than twenty days prior to the convening of the Regular Session of 2022; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Auditor, Director of Commerce and Consumer Affairs, Director of Human Services, Insurance Commissioner, and Administrator of the Hawaii Employer-Union Health Benefits Trust Fund.

OFFERED BY:

[Signature]

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