



HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

Memo to Health Transition Team for President-Elect Obama

Hawaii Medical Service Association (HMSA), a nonprofit health plan founded in 1938, is Hawaii's largest and oldest health plan. HMSA provides coverage to more than 700,000 Hawaii residents. HMSA is governed by a community board of directors that includes representatives from health care, business, labor, government, education, clergy, and the community at large. HMSA is an independent licensee of the Blue Cross and Blue Shield Association. Nationally, HMSA and 38 other Blue Cross and Blue Shield plans provide worldwide coverage to more than 100 million members.

Hawaii's Prepaid Health Care Act and Employer-based Health Insurance

While there are many unique and successful aspects of Hawaii's health care system, Hawaii has been distinct from all other states in the U.S. in one singularly important way: since 1974, Hawaii state law - under an exemption from ERISA by Congress - has required all employers who employ one or more full-time employees (over 20 hours weekly) to provide health insurance. The law generally determines the nature of that coverage in a way consistent with the market place, limits the amount employees must contribute to premiums, and requires employees to accept coverage unless covered under some other plan (a spouse's plan, for example). The overall impact of the law since 1974 has been the maintenance of relatively robust private benefit plans, low rates of uninsured, and some of the lowest premiums in the country. While Hawaii suffers from some of the same issues relative to access, quality and cost as states across the country, the Prepaid Health Care Act has been the backbone over the years ensuring system stability and moderation of problems in health care delivery and finance.

HMSA's Topline Policy Initiatives

From HMSA's perspective, there are three core initiatives we believe can fundamentally improve access and the delivery of quality, affordable healthcare for both the residents of the state of Hawaii and people across the country. They are the Medical Home, HMSA's Online Care and a Health Information Network. These three programs offer the greatest benefit when available in support and service to each other. Collectively these programs significantly overcome many of the constraints of our current system and help deliver coordinated, collaborative and informed care. The inclusion of these types of programs may be crucial to the development of a national health care reform effort.

The Medical Home

The Medical Home acknowledges that the best quality of care is provided not in episodic, illness-oriented, complaint-based care, but is patient-centered, physician-guided, cost-efficient, longitudinal care which requires a fundamental shift in the relationship between patients and their primary care physicians. To make this concept viable there must be a higher degree of personalized care coordination, access beyond the acute care episode,



identification of key medical and community resources to meet the patients' needs, and new payment systems to support and incent these approaches.

HMSA's Online Care

HMSA will be the first health plan in the nation to launch Online Care, the ability for consumers to access a physician from the privacy of their home or office. Online Care is a transformational approach to health care delivery which increases access by helping consumers overcome the obstacles of geography, time, immobility or lack of insurance coverage. At the heart of this approach is the ability for patients to share their medical information with a consulting physician. This model may be replicated across the nation and used as a new modality of health care.

Health Information Network

Physician access to timely clinical information is recognized as a key to significant improvement in the health care system. The development of a Hawaii Health Information Network in collaboration with other states, with the ability to electronically move clinical information between disparate healthcare information systems while maintaining the meaning of the information being exchanged, would help ensure more more timely, efficient, effective, and patient-centered care.

In addition to these three core initiatives, Hawaii's model employing a unique and successful employer health care mandate for more than 30 years may be helpful in pursuing the development of a national initiative to increase healthcare coverage for all Americans.

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