



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N
Quality Healthcare For All

September 30, 2016

CEO – 16 – 059

Secretary Sylvia Matthews Burwell
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

RE: State of Hawaii Section 1332 State Innovation Waiver Proposal

Dear Secretary Burwell:

I am the Chief Executive Officer of the Hawaii Health Systems Corporation (“HHSC”) writing in support of the State of Hawaii’s Section 1332 State Innovation Waiver Proposal (“Waiver”). HHSC is a state agency operating 14 public hospitals on 5 islands across the state.

The primary factor that distinguishes healthcare and health insurance in our state and provides the basis for the Waiver request is Hawaii’s Prepaid Health Care Act (“PHC”). The PHC requirements for employers to provide health insurance have resulted in a high proportion of our population being insured. And the health insurance mandate provides that policies are comprehensive. Our state-selected benchmark plan includes the ten Essential Health Benefits and thus the proposed waiver will not diminish benefits currently provided by employers nor result in decreased affordability of health insurance.

Many of our HHSC facilities are in rural communities with high rates of poverty and require operating subsidies of state funds. The relatively high rate of comprehensive health insurance in our working population brought about by the PHC has greatly helped HHSC facilities to offset losses from those who are uninsured or underinsured. In addition, the adoption of ACA’s coverage options to enroll low-income residents in either Medicaid or individual and family plans combined with the PHC has further led to a relatively small number of people who remain uninsured.

Our population in Hawaii enjoys relatively good health and lower health care costs compared to other states. While the PHC is by no means the only reason for this situation, it has certainly contributed by assuring that all working people have the same benefits and protections regardless of income, health status, race, or age. For these reasons I ask that you give your favorable consideration to Hawaii’s Waiver application.

Sincerely,

Linda Rosen, M.D., M.P.H.
Chief Executive Officer

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