Health Insurance Coverage for our Communities

32nd APIL General Assembly

Presented by: Eric Plinske

Honolulu, Hawaii
June 26, 2013
Overview

• HI, GU, & CNMI Uncompensated Care Dilemma
• Review of Four (4) Govt Health Plans in Region
• FAS Population & Employment Demographics
• Performance of Regional Plans
• Regional Health Plan Advantages
• Suggestions for Consideration
What is the Regional Healthcare Goal?

Convenient Access to Affordable Quality Care
Uncompensated Care Dilemma

- Emergency Medical Treatment & Active Labor Act (EMTALA)
- FAS citizens have not been eligible for Medicaid since 1996
- HI, GU, and NMI governments are absorbing costs of uninsured FAS care
- FAS citizens in HI, GU, & NMI could be covered under a FAS regional plan
Restoring Medicaid for Micronesians

• Hawaii Senator Mazie K. Hirono
• US Senate Immigration bill (S. 744)
• If approved, Fed will cover 51.86% in Hawaii and 55% in Guam & CNMI for legal residents from the FAS
• Hawaii Medicaid Expansion under Affordable Care Act (ACA) provides 100% Fed coverage through 2019
Micronesians in HI, GU, & CNMI

2010 Census

- Hawaii: 9,500
- Guam: 11,230
- CNMI: 1,242
- Total: 18,044

- Chuukese: 3,169
- Palauan: 1,169
- Pohnpeian: 2,563
- Yapese: 398
- Kosraean: 129
- Marshallese: 1,263
- Total: 6,316

Color Legend:
- Blue: Hawaii
- Red: Guam
- Green: CNMI
GMH Micronesian Admissions
Calender Year 2012

<table>
<thead>
<tr>
<th>Region</th>
<th>Emergency</th>
<th>Inpatient</th>
<th>Outpatient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,387</td>
<td>2,806</td>
<td>1,198</td>
</tr>
<tr>
<td>Chuukese</td>
<td>3,585</td>
<td>1,982</td>
<td>847</td>
</tr>
<tr>
<td>Palauan</td>
<td>652</td>
<td>266</td>
<td>133</td>
</tr>
<tr>
<td>Pohnpeian</td>
<td>664</td>
<td>333</td>
<td>123</td>
</tr>
<tr>
<td>Yapese</td>
<td>283</td>
<td>125</td>
<td>55</td>
</tr>
<tr>
<td>Kosraean</td>
<td>101</td>
<td>64</td>
<td>18</td>
</tr>
<tr>
<td>Marshallese</td>
<td>102</td>
<td>36</td>
<td>22</td>
</tr>
</tbody>
</table>
Four Micronesian Government Plans

- FSM – MiCare National Plan
- FSM – Chuuk State Health Care Plan
- RMI – Health Care Fund
- ROP – Health Care Fund
FSM MiCare Health Plan

- 1984: Natl Govt Emply’s Health Ins Prog created
- 2002: Transferred to board & became MiCare
- Five (5) premium-based plan options
- Covers up to 4 minor dependent children
  – Additional premiums for more than 4 children
Chuuk State Health Plan

- 1994: Est. by Chuuk Health Care Plan Act of ‘94
- 2003: Commenced operations in Sep’03
  – 5 member governing Board of Trustees
- 3.0% payroll deduction with employer match
- Covers maximum of 5 dependents
RMI Health Care Fund

- 2002: Est. by RMI Health Fund Act of 2002
- Two plan options:
  - Basic plan (98%) & Supplemental Plan (2%)
- 3.5% payroll deduction with employer match
- Covers spouse & unlimited # of depn children
ROP Health Care Fund

- 2010: Est. by National Healthcare Financing Act
- Two components:
  - Medical Savings Account – outpatient care
  - National Health Insurance – inpatient & referral care
- 2.5% payroll deduction with employer match
- Covers spouse and unlimited # of depn children
Current Government Plan Challenges

• Escalating # of referral cases
• High medical referral travel costs
• High price for Hawaii care
• Increasing prescription medication costs
• High administrative costs (redundancy)
• Low or stagnant enrollment (in some cases)
## Top 5 Causes of Referrals

<table>
<thead>
<tr>
<th>FSM MICARE</th>
<th>FSM CSHP</th>
<th>RMI HCF</th>
<th>ROP HCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiovascular</td>
<td>66</td>
<td>Orthopedic</td>
<td>Cardiovascular 61</td>
</tr>
<tr>
<td>Orthopedic</td>
<td>56</td>
<td>Cancer</td>
<td>Orthopedic 32</td>
</tr>
<tr>
<td>Cancer</td>
<td>37</td>
<td>Ophthalmology</td>
<td>Cancer 25</td>
</tr>
<tr>
<td>Urology</td>
<td>22</td>
<td>Congenital</td>
<td>Neurology 22</td>
</tr>
<tr>
<td>Neurology</td>
<td>19</td>
<td>Cardiovascular</td>
<td>Other 40</td>
</tr>
</tbody>
</table>
Pacific Island Health Care Project
PIHCP at Tripler Army Medical Center

- Created in 1989 by Senator Inouye
- Outreach care funded by US Army Medical Cmd
- Targeted to indigenous US Pacific Islanders
- RMI in 2012
  - 29 referrals to TAMC out of 120 (24%)
  - 17 referrals to Shriners’ Hospital out of 120 (14%)
Micronesian Population Trends

Combined Population = 173,502
Micronesia Active Work Force
Private & Public Sectors (Excluding Self Employed & Home Production)

Total Estimate = 36,410

2011 & 2012 PITI-VITI Economic Reports
Micronesia Average Annual Earnings

2011 & 2012 PITI-VITI Economic Reports
2012 Premiums vs. Claims
Industry Average for Medical Loss Ratio (MLR) is 80%
Population vs. Plan Membership

MiCare + CSHP members = 32% of FSM Population
2012 Administrative Costs

Target should be 10% of Premiums
Regional Plan Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>2011 RMI HCF</th>
<th>2012 FSM MiCare</th>
<th>2012 FSM CSHP</th>
<th>2012 ROP HCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums</td>
<td>$7.192M 100%</td>
<td>$5.407M 100%</td>
<td>$1.104M 100%</td>
<td>$4.516M 100%</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off Island Care</td>
<td>$2.046M 28%</td>
<td>$2.593M 48%</td>
<td>$0.662M 60%</td>
<td>$1.001M 22%</td>
</tr>
<tr>
<td>On Island Care</td>
<td>*$4.971M 69%</td>
<td>$2.238M 41%</td>
<td>$0.144M 13%</td>
<td>$1.376M 31%</td>
</tr>
<tr>
<td>Off Island Travel</td>
<td>$0.610M 9%</td>
<td>$0.347M 6%</td>
<td>**$0.050M 5%</td>
<td>$0.094M 2%</td>
</tr>
<tr>
<td>Admin Costs</td>
<td>$1.593M 22%</td>
<td>$0.483M 9%</td>
<td>$0.160M 15%</td>
<td>$0.452M 10%</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$9.220M 128%</td>
<td>$5.661M 105%</td>
<td>$01.016M 93%</td>
<td>$2.923M 65%</td>
</tr>
<tr>
<td>Net Gain / (Loss)</td>
<td>($2.028M) (28%)</td>
<td>($0.254M) (5%)</td>
<td>$0.088M 7%</td>
<td>$1.594M 35%</td>
</tr>
</tbody>
</table>

* RMI did not account for outpatient care costs
** CSHP off island travel costs for medical referral may be under reported
Palau Health Care Fund

Co-Payment for Inpatient Treatment

National Health Insurance 80%
Co-Payment 20%

Ceiling:
$200 - $400
Depending on income
Palau Health Care Fund
Approved Off-Island Referrals

National Health Insurance
80%

Co-Payment
20%

Ceiling:
$1,000 - $4,000
Depending on income

<table>
<thead>
<tr>
<th>Annual HH Income</th>
<th>Co-pay Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $5,599</td>
<td>$1,000</td>
</tr>
<tr>
<td>$5,600 - $11,199</td>
<td>$2,000</td>
</tr>
<tr>
<td>$11,200 - $16,799</td>
<td>$3,000</td>
</tr>
<tr>
<td>$16,800 &amp; above</td>
<td>$4,000</td>
</tr>
</tbody>
</table>
Regional Health Plan Advantages

• More members = greater bargaining power
• Unified health plan benefits across region
• Pre-authorization & Utilization Management
• Pharmacy Benefit Management
• Lower administrative costs
• Centralized claims adjudication
• Technology to improve efficiency & continuity of care
• Build local capacity (TMC/GRMC)
Suggestions for Consideration

• Establish a regional health plan
• Mandate coverage throughout FSM
  – Two govt plans should not exist in the FSM
• Build on-island capacity with TMC/GRMC
• Off island referral option 1: TAMC or Shriners’
• Off island referral option 2: GRMC & TMC
Eric Plinske
StayWell Insurance
elplinske@staywellguam.com
670-323-4260/1/2