



# Health Insurance Coverage for our Communities

32<sup>nd</sup> 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**



0 500 miles  
0 500 km  
Mercator Projection

# The "Blue Continent"

PACIFIC OCEAN

MICRONESIA

FEDERATED STATES OF MICRONESIA



20°N

10°N

0°

10°S

Philippine Sea

Northern Mariana Islands (U.S.)

Saipan  
Tinian  
Agaña  
Guam (U.S.)

Caroline Islands

Kwajalein

MARSHALL ISLANDS

Majuro

PALAU

Yap  
Melekeok

Chuuk (Truk)

Pohnpei Palikir

Kosrae

NAURU

Yaren

Tarawa  
KIRIBATI (GILBERT ISLANDS)

INDONESIA

Jayapura  
New Guinea

PAPUA NEW GUINEA

Admiralty Islands

Bismarck Archipelago  
Kavieng  
Rabaul  
New Britain

Bougainville

SOLOMON ISLANDS

Honiara

Malaita

TUVALU (ELLICE ISLANDS)

Funafuti

Banda Sea

Arafura Sea

Salamaua

Daru

Port Moresby

# 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



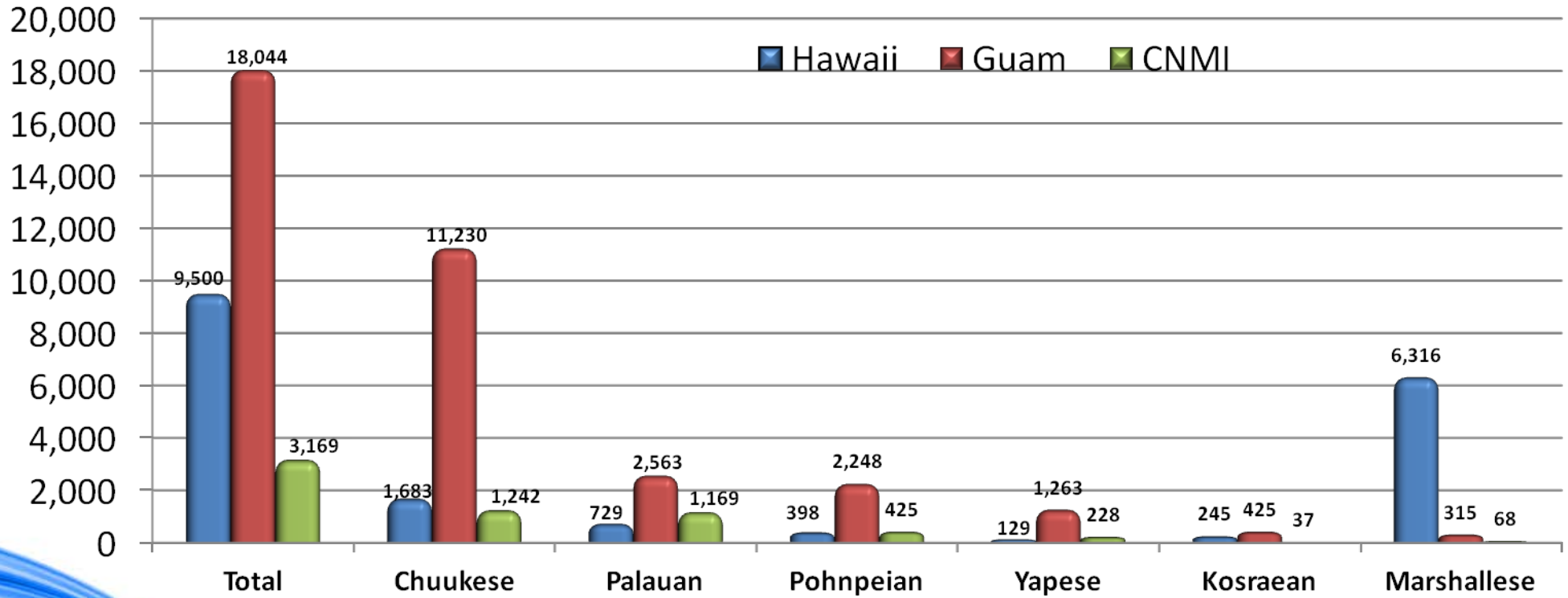
# Restoring Medicaid for Micronesians



- 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

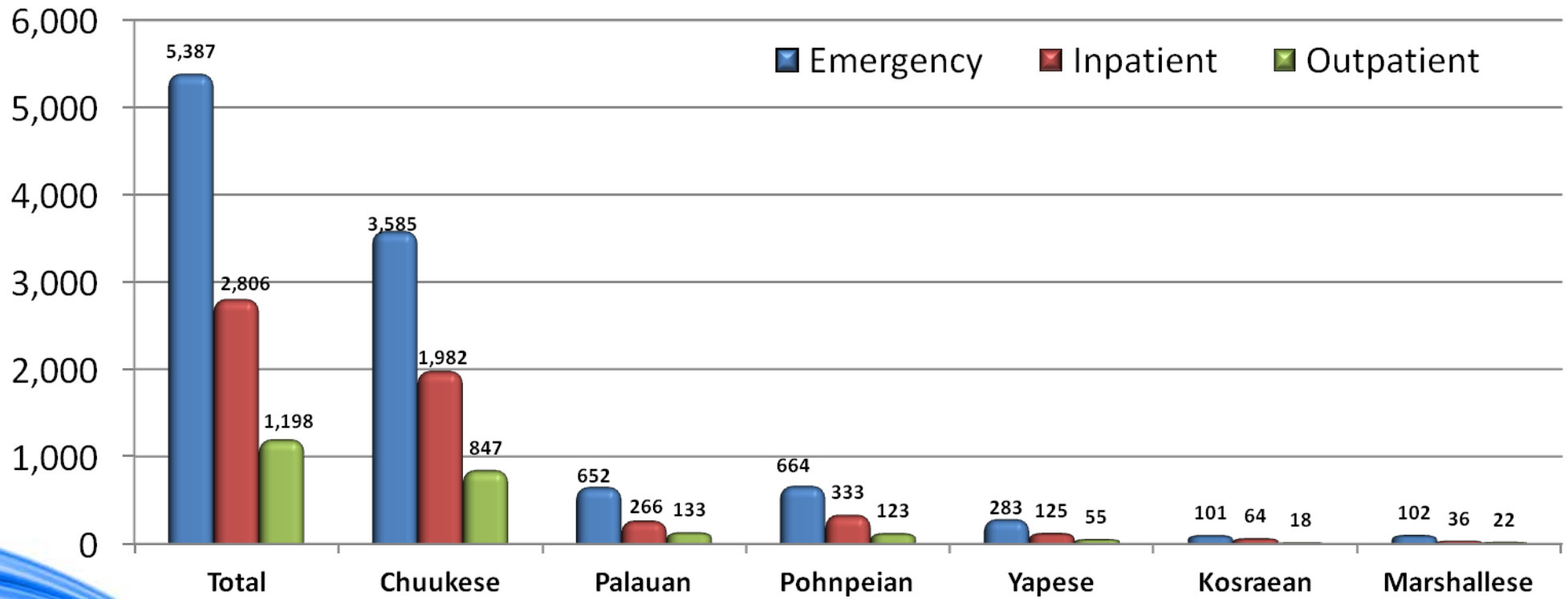
# Micronesians in HI, GU, & CNMI

*2010 Census*



# GMH Micronesian Admissions

Calender Year 2012





# 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 Empl'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

FSM MICARE		FSM CSHP		RMI HCF		ROP HCF	
Cardiovascular	66	Cases = 170		Orthopedic	30	Cardiovascular	61
Orthopedic	56			Cancer	16	Orthopedic	32
Cancer	37			Ophthalmology	14	Cancer	25
Urology	22			Congenital	14	Neurology	22
Neurology	19			Cardiovascular	12	Other	40

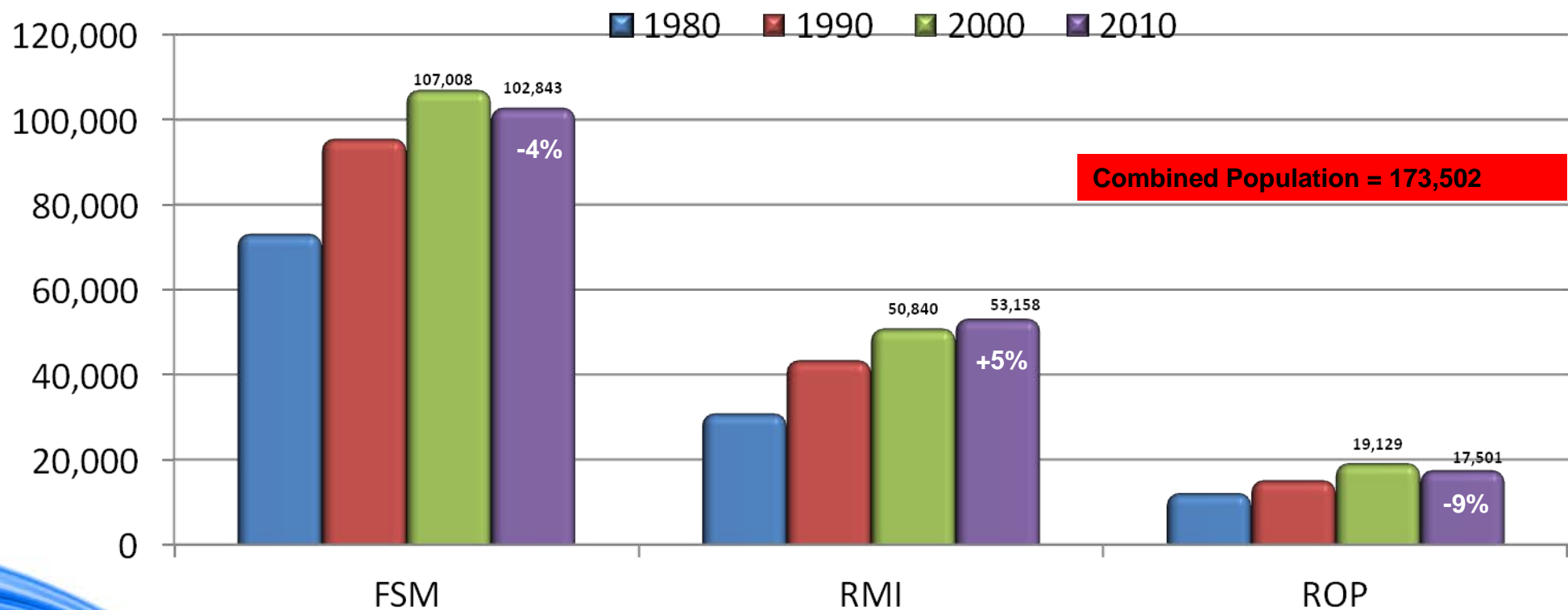
# Pacific Island Health Care Project

## PIHCP at Tripler Army Medical Center



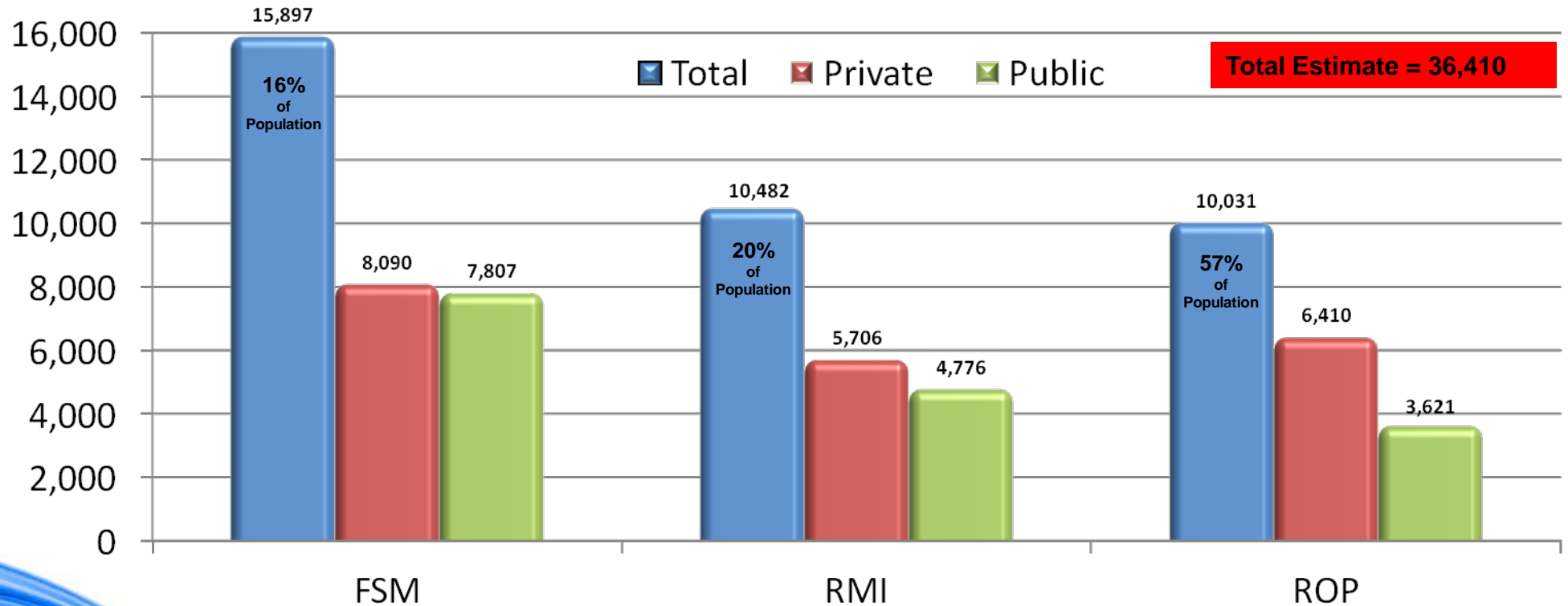
- Created in 1989 by Senator Inouye
- Outreach care funded by US Army Medical Cmd
- Targeted to indigenous US Pacific Islanders
- RMI in 2012
  - 29 referrals to TAMC out of 120 (24%)
  - 17 referrals to Shriners' Hospital out of 120 (14%)

# Micronesian Population Trends



# Micronesia Active Work Force

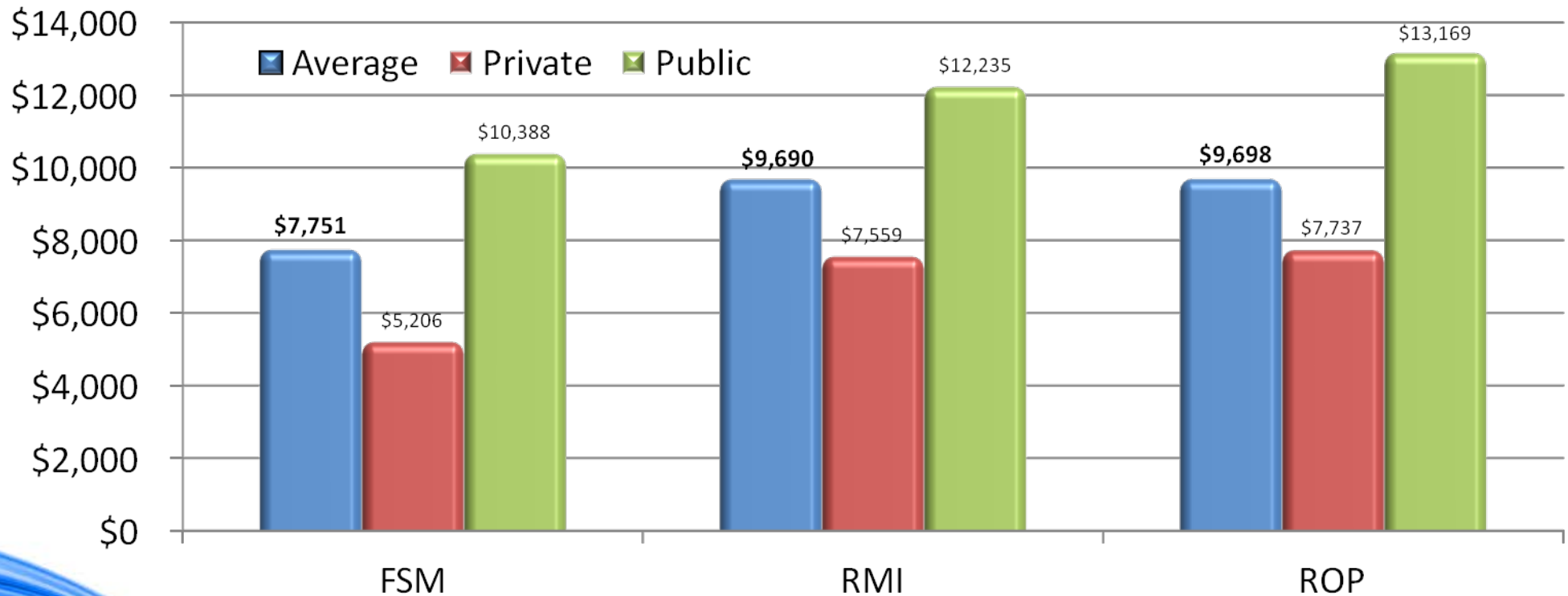
Private & Public Sectors (Excluding Self Employed & Home Production)



2011 & 2012 PITI-VITI Economic Reports

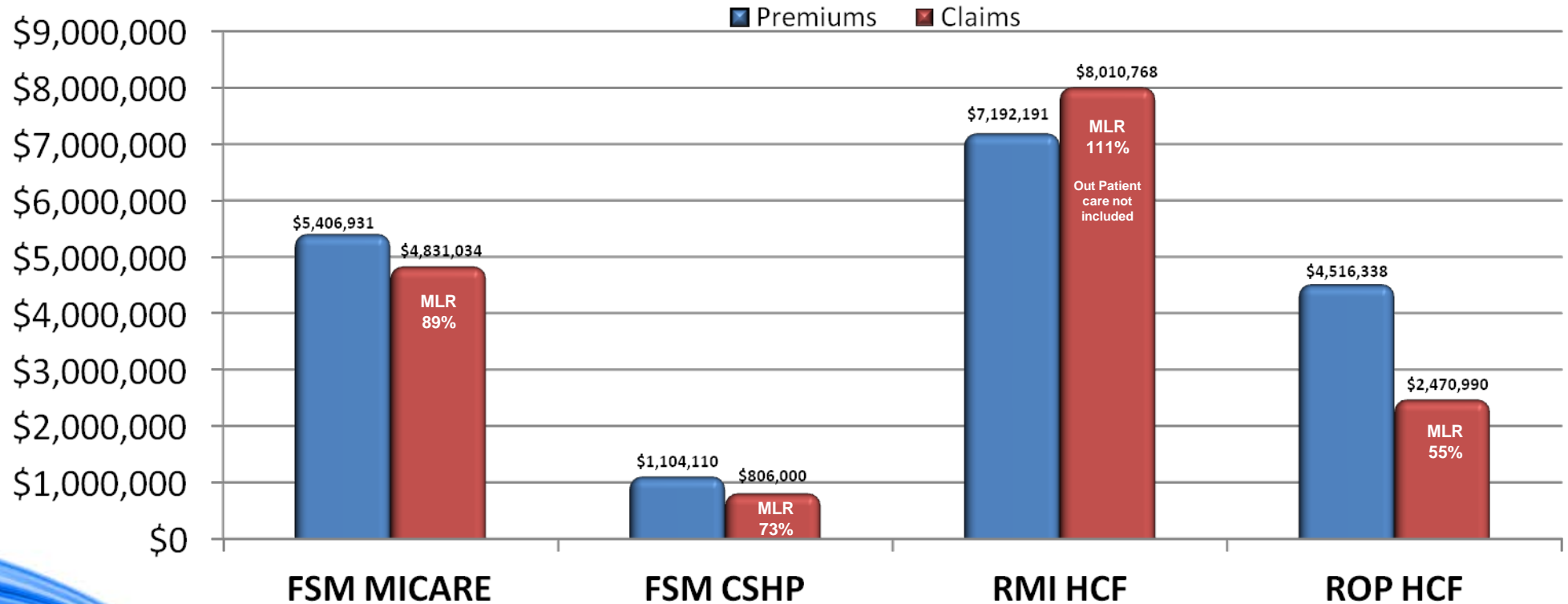


# Micronesia Average Annual Earnings

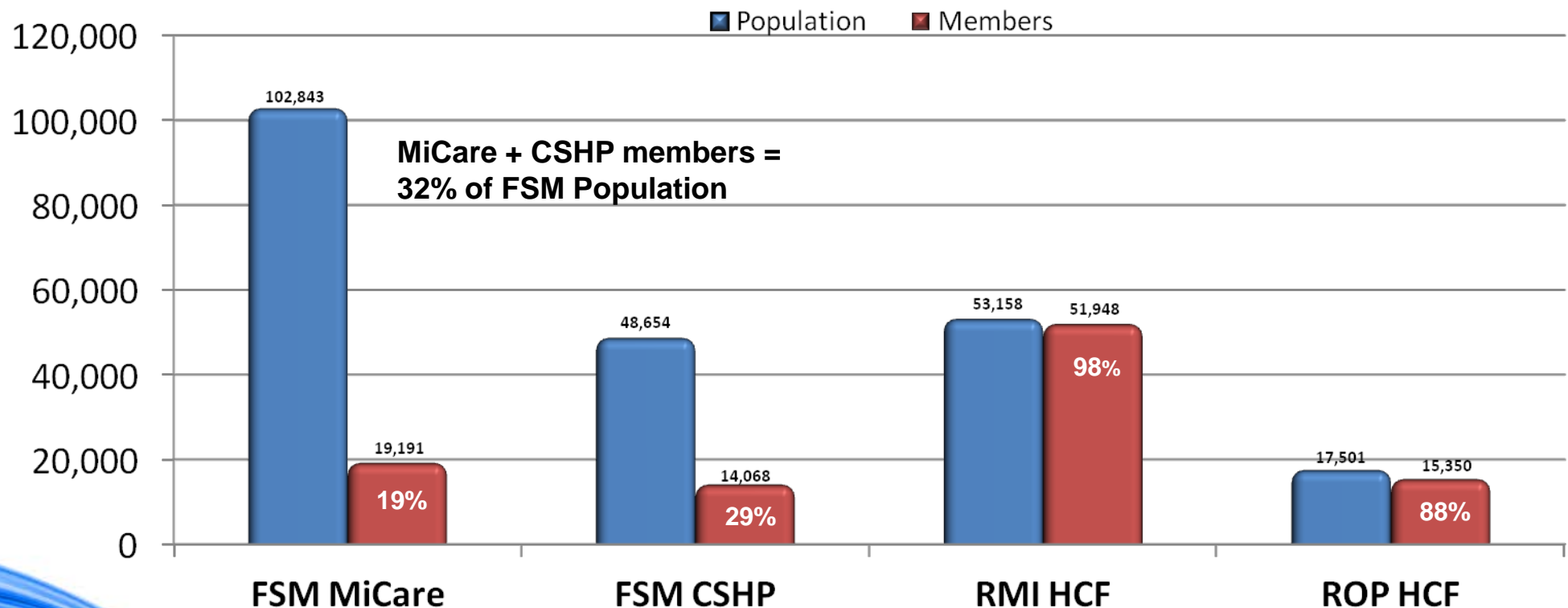


# 2012 Premiums vs. Claims

Industry Average for Medical Loss Ratio (MLR) is 80%

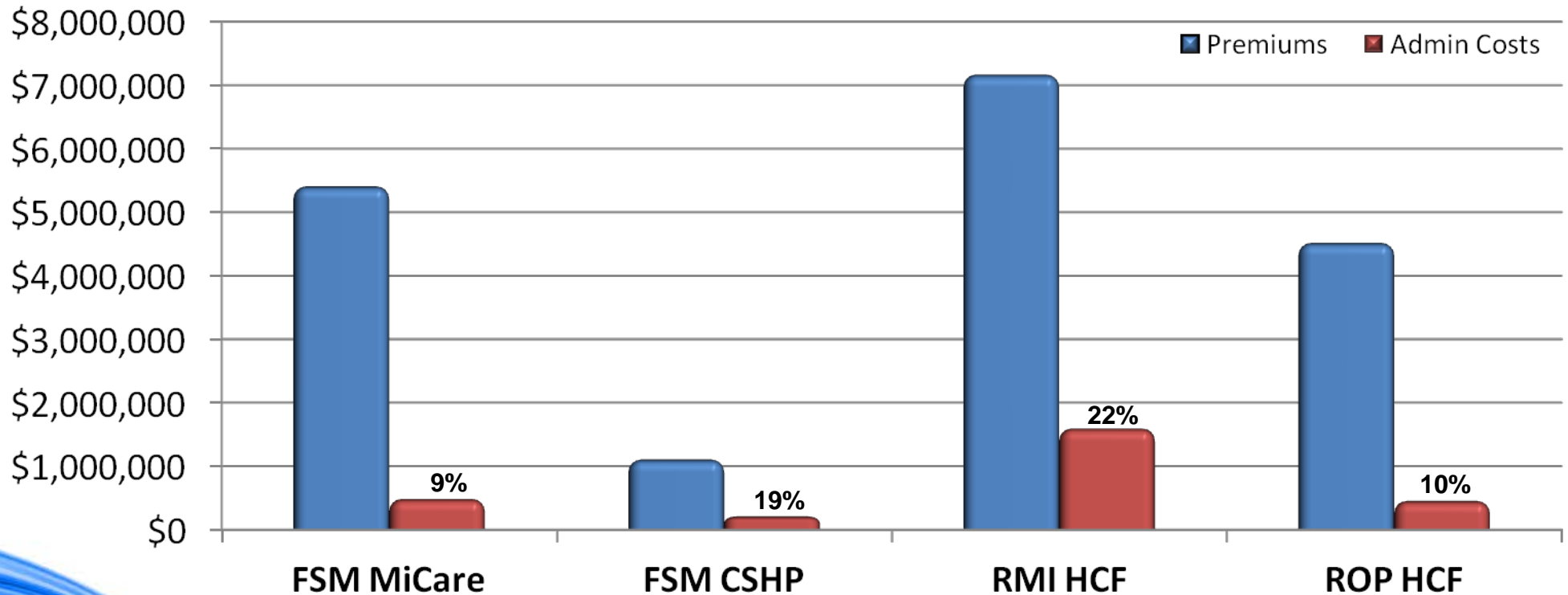


# Population vs. Plan Membership



# 2012 Administrative Costs

Target should be 10% of Premiums



# Regional Plan Financial Performance

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

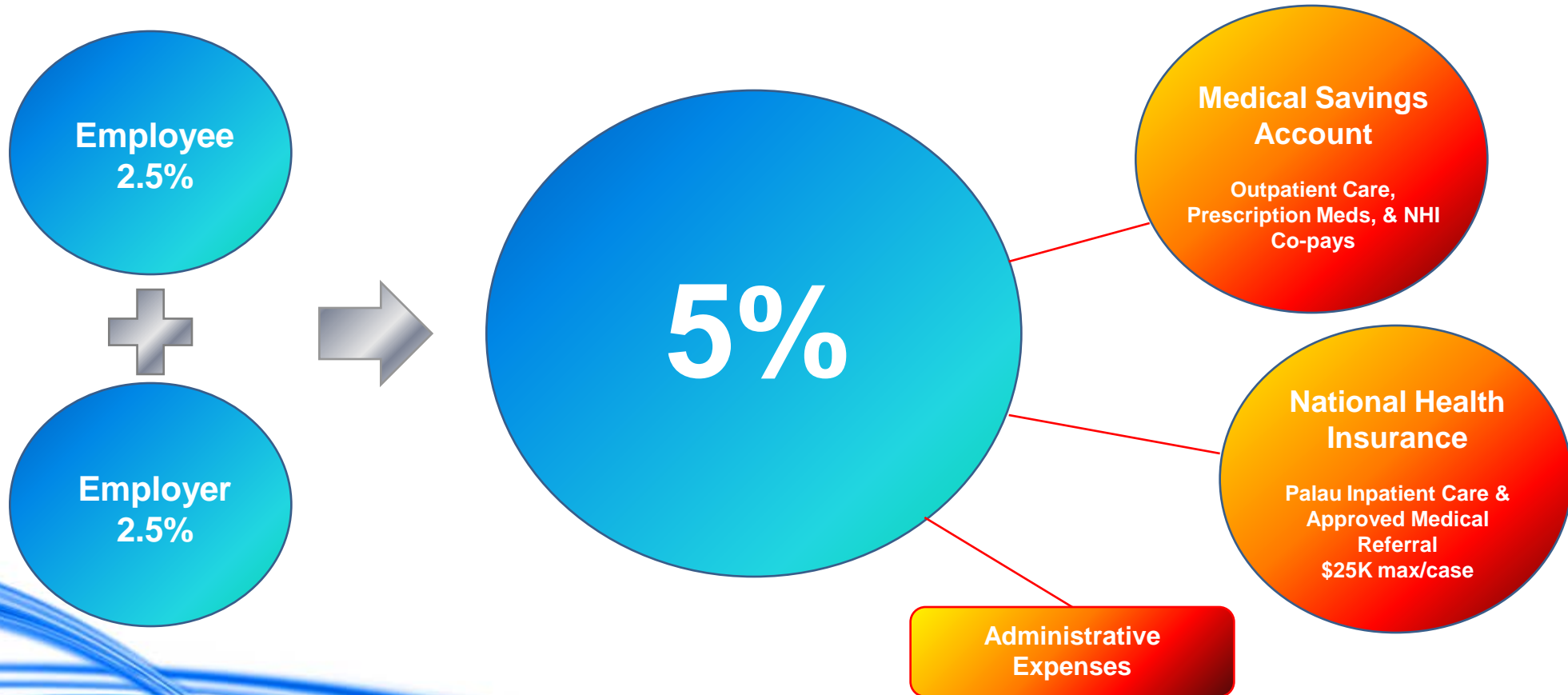
\* RMI did not account for out patient care costs

\*\* CSHP off island travel costs for medical referral may be under reported



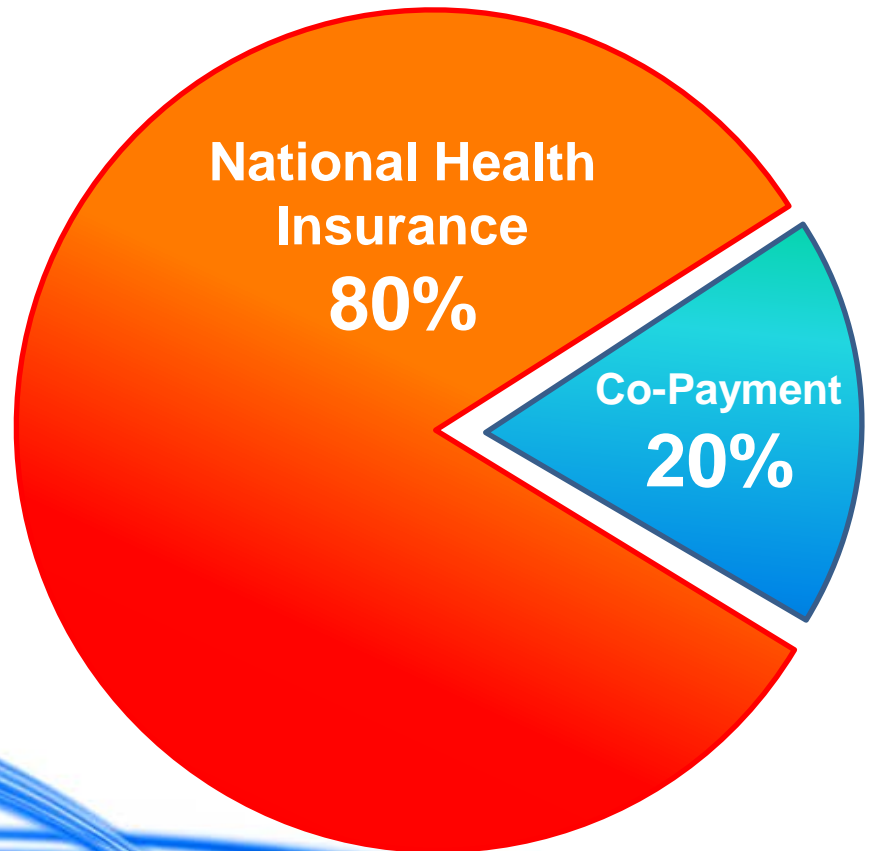
# Palau Health Care Fund

Contributions  Benefits



# Palau Health Care Fund

## Co-Payment for Inpatient Treatment



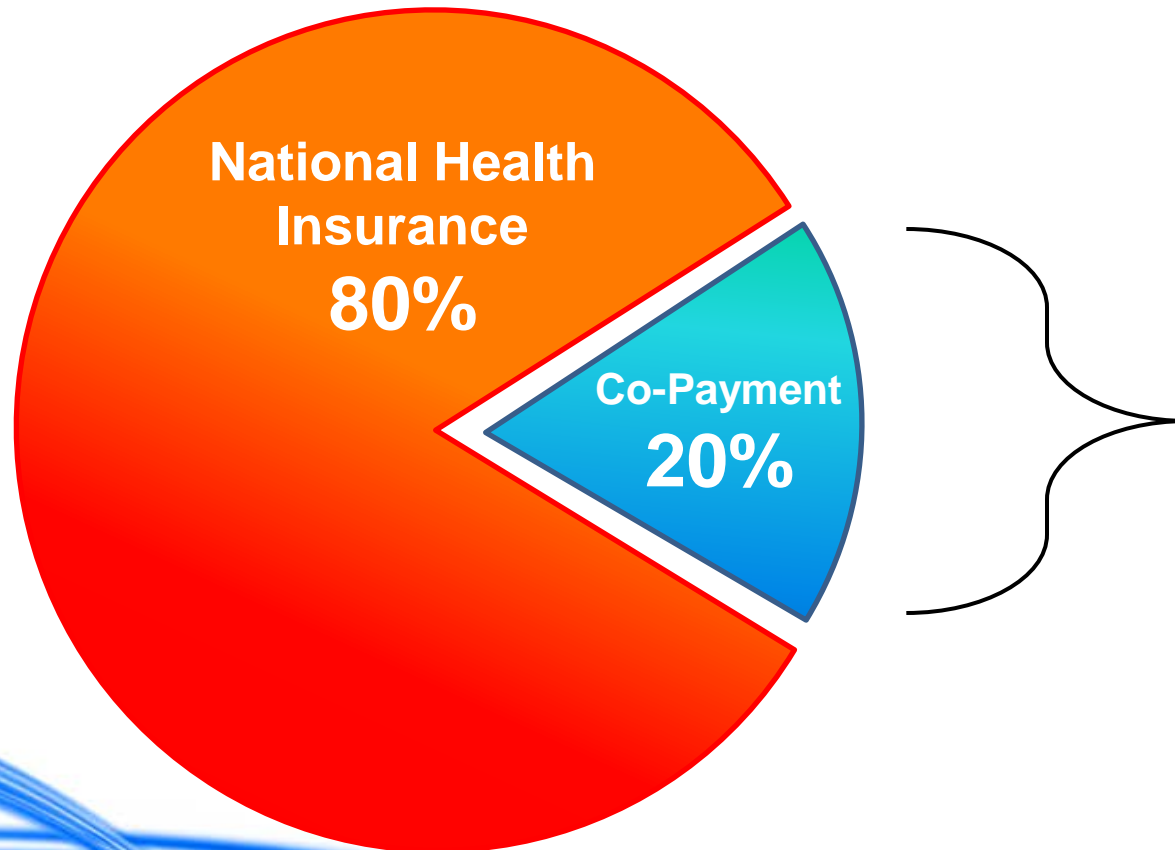
### Ceiling:

\$200 - \$400

Depending on income

# Palau Health Care Fund

## Approved Off-Island Referrals



### Ceiling:

\$1,000 - \$4,000  
Depending on income

Annual HH Income	Co-pay Ceiling
\$0 - \$5,599	\$1,000
\$5,600 - \$11,199	\$2,000
\$11,200 - \$16,799	\$3,000
\$16,800 & above	\$4,000

# 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)

0 500 miles  
0 500 km  
Mercator Projection

# The "Blue Continent"

20°N

Philippine  
Sea

PACIFIC OCEAN

**MICRONESIA**



**TAMC**



**Shriners Hospitals  
for Children™**

Northern  
Mariana  
Islands  
(U.S.)  
Saipan  
Tinian  
Agana  
Guam  
(U.S.)

To Honolulu

Caroline  
Islands

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0°

EQUATOR

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New Guinea

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Wewak

Admiralty  
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To Manila



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**SOLOMON  
ISLANDS**

Honiara

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Arafura  
Sea

# 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



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