

MAR 07 2025

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# SENATE RESOLUTION

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SUPPORTING THE REACTIVATION OF THE HAWAII HEALTH AUTHORITY WITH STATUTORY MANDATES THAT SPECIFICALLY INCLUDE THE TRANSITION OF THE STATE'S HEALTH INSURANCE PAYMENT SYSTEM INTO A SINGLE-PAYER HEALTH CARE SYSTEM.

1           WHEREAS, the Trump administration and the Republican  
2 majority in the United States Congress are threatening deep cuts  
3 to federal Medicaid funding; and  
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5           WHEREAS, the State may soon be in urgent need for a much  
6 more cost-effective health care financing system if cuts to  
7 Medicaid funding are implemented; and  
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9           WHEREAS, a single-payer health care financing system in the  
10 State could achieve large savings from reduced administrative  
11 costs without cuts to care delivery by doctors and hospitals;  
12 and  
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14           WHEREAS, hospitals that are paid with global budgets based  
15 on the cost of operations, including salaries for employed  
16 doctors, could nearly eliminate the cost of billing and  
17 collections that now consume around fifteen percent of total  
18 hospital budgets nationwide; and  
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20           WHEREAS, independent doctors paid pursuant to a simplified,  
21 standardized fee-for-service structure based on time and  
22 required training for a given procedure, instead of trying to  
23 assign a relative value to each of thousands of procedure codes,  
24 could markedly reduce billing and collections costs that now  
25 consume around fifteen percent of physician practice revenue  
26 nationwide; and  
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28           WHEREAS, similar savings in the fifteen percent range could  
29 be achieved from reduced administrative cost through the  
30 establishment of a single-payer administrator in the State; and  
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32           WHEREAS, some of these administrative cost savings could be  
33 used to fund community-based programs for high-risk and special  
34 needs patients and specialist consultations for primary care to



1 save costs from preventable emergency room visits and  
2 hospitalizations; and

3  
4 WHEREAS, some of these administrative cost savings could be  
5 used to improve take-home pay for primary care specialists and  
6 psychiatrists so that doctors in under-paid specialties could  
7 afford the State's high cost of living, potentially reversing  
8 the State's severe physician shortage; and

9  
10 WHEREAS, health care costs for Medicaid and state and  
11 county employee and retiree benefits now consume around thirty  
12 percent of the total state budget; and

13  
14 WHEREAS, the total administrative cost savings from the use  
15 of a single-payer administrator could add up to a reduction in  
16 the State's health care costs in the range of thirty percent or  
17 more, reducing the total state budget by around nine percent;  
18 and

19  
20 WHEREAS, Act 11, Special Session Laws of Hawaii 2009,  
21 established the Hawaii Health Authority (HHA), codified at  
22 chapter 322H, Hawaii Revised Statutes, with a mission to develop  
23 a comprehensive plan for a universal health care system covering  
24 all residents of the State, but the HHA is currently inactive;  
25 now, therefore,

26  
27 BE IT RESOLVED by the Senate of the Thirty-third  
28 Legislature of the State of Hawaii, Regular Session of 2025,  
29 that this body supports the reactivation of the Hawaii Health  
30 Authority with statutory mandates that specifically include the  
31 transition of the State's health insurance payment system into a  
32 single-payer health care system, to be implemented after waivers  
33 for Medicare, Medicaid, and Tricare have been obtained and all  
34 sources of federal funding for these programs have been  
35 exhausted; and

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1 BE IT FURTHER RESOLVED that certified copies of this  
2 Resolution be transmitted to the Director of Health, Director of  
3 Budget and Finance, and Insurance Commissioner.

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OFFERED BY:

*Michael Hubbard*

