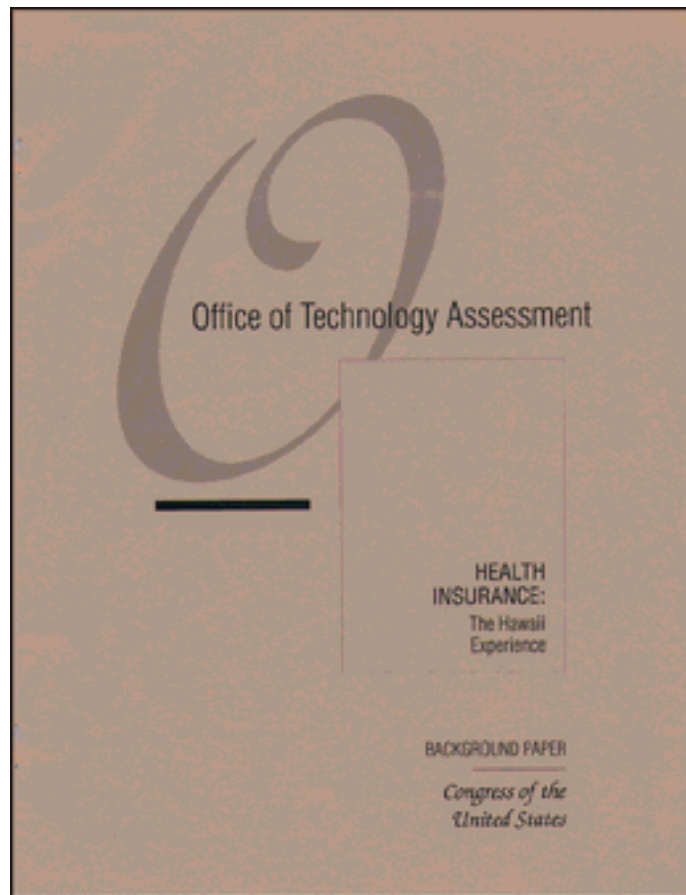


Health Insurance: The Hawaii Experience

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Background Paper:

HEALTH INSURANCE: THE HAWAII EXPERIENCE

Prepared Under Contract to OTA

by

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FOREWORD

Reform of the Nation's health insurance system is at or near the top of the Nation's domestic policy agenda. As policy makers consider the many directions the Nation could take, they often look to the States as laboratories.

This Background Paper provides a detailed look at the State that is often considered a model for what States can do to help provide universal or near-universal health insurance coverage for their residents. The Background Paper discusses the history of health insurance provision in Hawaii, emphasizing two relatively recent State insurance laws: 1) the 1974 law that required employers to offer coverage to most of their employees, and 2) the 1989 law that provided a State subsidy for coverage of those individuals who fell in the gap between employment-based coverage and Medicaid coverage. The paper addresses the difficulties faced in evaluating the impact of Hawaii's various attempts to provide coverage and access, and speaks to whether all or parts of Hawaii's experience can be transferred to other States or to the Nation as a whole.

This paper was prepared as background for OTA's assessment *Technology, Insurance, and the Health Care system*. The assessment as a whole was requested by the Senate Committee on Labor and Human Resources (Edward M. Kennedy, Chairman), the House Committee on Energy and Commerce (John D. Dingell, Chairman), the House Committee on Ways and Means Subcommittee on Health (Willis D. Gradison, then Ranking Minority Member), and Senator Charles E. Grassley (Committees on Budget, Finance, Special Committee on Aging).

This background paper was prepared under contract to OTA by Lawrence Miike, M. D., J. D., Professor of Medical Policy at the John A. Burns School of Medicine, University of Hawaii at Manoa. It was reviewed by an advisory panel, chaired by James L. Hunt, University Distinguished Professor, University of Tennessee-Memphis, and by other distinguished individuals. OTA gratefully acknowledges the contribution of each of these individuals.

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HEALTH INSURANCE: THE HAWAII EXPERIENCE

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