

# The Basic Health Hawaii Story: where we've been and what's next for Micronesian health...

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Health Law Policy Group



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Map of Chuuk reef by Weitaro Pakiu  
(including sunken ships, submarine and plane)



UN's International Trusteeship System  
(Chapter XII of UN Charter, 1945)

“...to promote the *political, economic, social, and educational advancement* of the inhabitants of the trust territories, and their progressive development towards *self-government or independence.*”



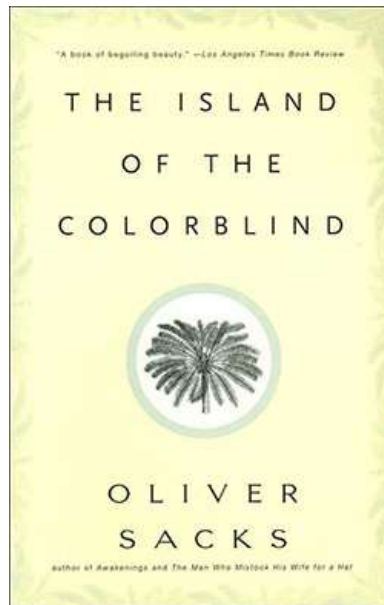
Kwajalein, RMI



Ebeye, RMI



- [www.unnaturalcauses.org](http://www.unnaturalcauses.org)



"...one elderly citizen... said, 'You know, we've learned in our day to be Spanish, and we've learned to be German, and we've learned to be Japanese, and now we're learning to be American—what should we be preparing to learn to be next?'"

Vintage Books, 1996

### Micronesian region under Trust Territories:

- Marshall Islands
- Chuuk
- Kosrae
- Pohnpei
- Yap
- Palau
- Northern Marianas
- Guam
- Nauru
- Kiribati

### New political entities:

- Rep. of the Marshall Islands
- Fed. States of Micronesia:
  - Chuuk State
  - Kosrae State
  - Pohnpei State
  - Yap State
- Republic of Palau
- Commonwealth of the Northern Mariana Islands (U.S. territory)
- Guam (U.S. territory)
- Republic of Nauru (ind.)
- Republic of Kiribati (ind.)

assistance over the funding period and relative to the original concept for structure (B). For example, in 2004 U.S. dollar terms, FSM per capita grant assistance will likely fall from around \$1,252 in 2007 to around \$52 in 2020.

Under the amended compact, annual grant assistance is to be provided according to an implementation framework with several components (see attachment B). For example, prior to the initial awarding of compact funds, the FSM must submit a development plan that identifies goals and performance objectives for each sector. The FSM government is also required to monitor key policy operations of sector grants and activities, submit periodic financial statements and performance reports for the tracking of progress against goals and objectives, and ensure annual financial and compliance audits. In addition, the U.S. and FSMU are to approve annual sector grants and evaluate the country's management of the grants and their progress toward program and economic goals. The amended compact and subsidiary trust fund agreement also provide for the formation of an FSM trust fund committee to, among its other duties, hire a money manager, oversee the fund's operation and investments, and provide annual reports on the fund's solvability.

**FSM Economic Prospects Remain Limited**

The FSM economy shows limited potential for developing sustainable income sources other than foreign assistance to offset the annual decline in U.S. compact grant assistance. Moreover, the FSM has not reached economic policy reforms needed to improve its growth prospects.

The FSM's economy shows continued dependence on government spending of foreign assistance and limited potential for expanded government and insurance income.

- Total government expenditures in 2006, over half of which were funded by external grants, accounted for about 61 percent of GDP.
- The FSM's government budget is characterized by limited tax revenue paired with growing government deficits. For example, FSM taxes have consistently provided less than 23 percent of total government revenue; however, payroll expenditures have increased as a percentage of total government spending, from 28 percent in 2000 to 35 percent in 2006.
- The FSM development plan identifies fishing and tourism as key potential private sector growth industries. However, the tourism industry supports provide only about 8 percent of employment. Further, according to

Page 8

Attachment C: Impact of Trust Territories

**GAO**

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October 2001

United States General Accounting Office  
Report to Congressional Requesters

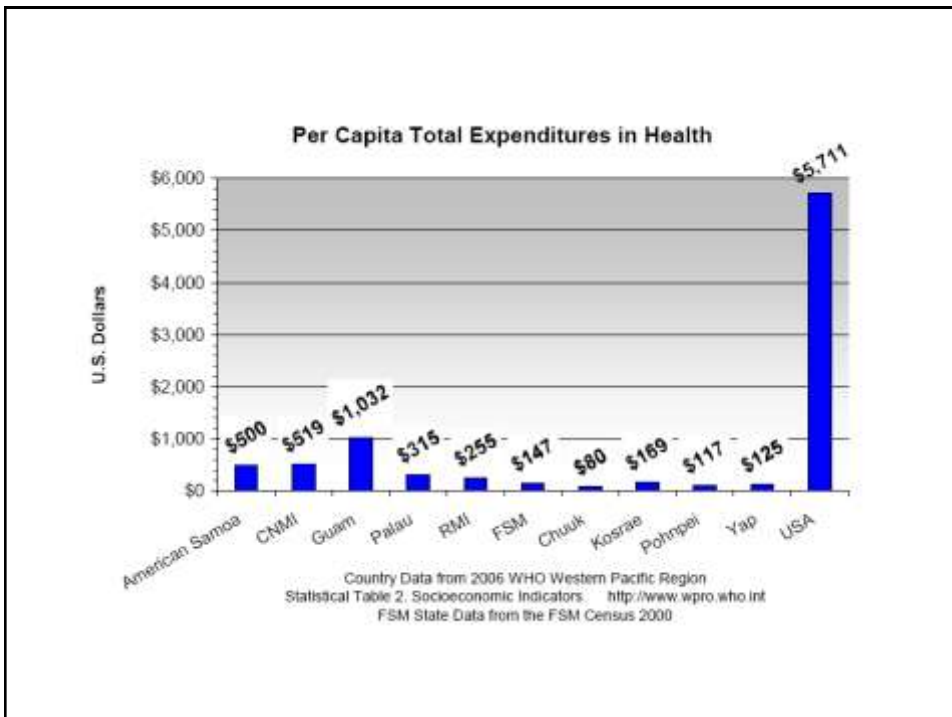
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**FOREIGN  
RELATIONS**

**Migration From  
Micronesian Nations  
Has Had Significant  
Impact on Guam,  
Hawaii, and the  
Commonwealth of the  
Northern Mariana  
Islands**



GAO-02-40



## Basic Health Hawaii plan

- 12 Outpatient visits
- 10 Inpatient visits
- 6 Mental health visits
- 5 generic medication prescriptions/month  
(*cut to 4 prescriptions/month in 2010 version*)
- No dental, except for emergencies
- No chemotherapy; no dialysis  
(available only through Emergency process)
- 7,000 cap on enrollment

## Why BHH? (PRWORA)

- Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform)
- Sec. 401: Aliens who are not qualified aliens ineligible for federal public benefits
- Sec. 402: Limited eligibility of qualified aliens for certain federal programs

“state created a de facto state-funded medical assistance program by continuing... benefits to COFA Residents...” (J. Seabright)

## Basic Health Hawaii (BHH)

- July 2009: DHS announces BHH to start Sept.
- Aug. 31, 2009: LEJ & Alston attorneys file for TRO and Preliminary Injunction
- Sept. 1, 2009: Judge Seabright issues TRO and Preliminary Injunction
- Dec. 2009: State announces public hearings
- Jan. 2010: DHS holds public hearings

## Basic Health Hawaii (BHH)

- May 2010: DHS announces BHH to start July
- July 1, 2010: DHS implements BHH
- Aug. 23, 2010: Attorneys (LEJ, Alston, Bronster) file for Declaratory and Injunctive Relief
- Nov. 10, 2010: J. Seabright denies state's Motion to Dismiss
- Dec. 15, 2010: J. Seabright issues injunction



Oct. 15, 2010 at KPT





UH Law students,  
KKV advocates &  
LEJ attorneys

Micronesian Health Advisory  
Coalition & LEJ Attorneys



(on prevention or treatment)

“Cost-effectiveness analysis does NOT help us to choose which one to do – to deny someone treatment is a *moral* decision... Applying cost-effectiveness analysis to this situation is simply a way of putting a false sense of legitimacy to a fundamentally flawed moral choice.”

(Jim Kim interview, on the responsibility of physicians in the HIV epidemic, 2002.)