

HMSA salaries go up

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HONOLULU - Hawaii Medical Service Association's top executives received small increases in salaries and bonuses last year, according to the nonprofit's annual filing with the state Insurance Division.

Robert Hiam, president and CEO, saw his salary increase 4 percent to \$645,002 last year. Including bonuses and other compensation, Hiam drew a total of \$1.16 million in 2007. Other executives saw similar increases.

In comparison, HMSA's premiums went up about 9 percent last year, comparable to the increase in the cost of living, according to Senior Vice President Cliff Cisco. He said physician reimbursements were raised 4.3 percent in January, an \$11 million increase to physicians.

But that's only 92 cents on the dollar of the costs of running the state's safety net hospitals, according to officials with Hawaii Health Systems Corp.

Medicare and Medicaid reimbursements were on par with the rest of the country, but commercial insurers paid much less than the approximately 135 percent of Medicare that's the national average. HHSC officials said HMSA has paid \$30.8 million less than the hospitals' costs for HMSA patients over the past four years.

HMSA covers 60 percent of the health insurance in the state. It is exempt from state premium taxes because it was set up in 1938 as a mutual benefit society.

The fat compensation packages, combined with HMSA's reimbursement rates, bother House Health Committee Chairman Josh Green, D-North Kona, Keauhou, Kailua-Kona, the only physician in the Legislature.

Green has unsuccessfully pushed legislation requiring HMSA to pay more in compensation. He notes that another nonprofit health insurance provider, AlohaCare, paid its CEO a total compensation package of \$275,000 last year.

"I am calling for the governor to suspend their exemption to the premium tax, as well as a full and independent audit of their financial practices and structure, and finally an investigation into HMSA's use of their lobbying and governmental relations resources to influence attempts at reform and progress on the health care crisis," Green said in a statement.

But HMSA spokeswoman Laura Lott said HMSA handled almost \$2 billion in claims last year and works hard as a nonprofit to break even.

"HMSA provides a very good value to our members," Lott said.