

# OVERVIEW

THE AUDITOR  
STATE OF HAWAII

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## Study of Financing for Heart Transplant Services in Hawaii

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### Summary

In House Concurrent Resolution No. 87, S.D. 1 of 1991, the Legislature requested the Auditor to help ensure that heart transplant services are available and accessible to those who need them.

Heart transplant services include the pretransplant evaluation, transplant surgery, and followup care including medication. National experience indicates that the total cost of a patient's hospital care, physicians, and drugs can range from at least \$63,000 to just under \$200,000.

We studied Medicare and Medicaid coverage for heart transplants and explored options for increasing financing for heart transplants in Hawaii. The St. Francis Medical Center in Honolulu has the only heart transplant program in the state and has been averaging about three transplants a year. Most of these transplants were covered by private insurers but Medicare and Medicaid patients were not covered. This is because St. Francis does not perform a sufficient number of transplants to meet federal requirements for Medicare approval, and because the state Medicaid program, faced with growing deficits, generally does not pay for heart transplantation.

The State has several options that could improve financing for heart transplants in Hawaii. The Department of Human Services, which administers the state Medicaid program, could cover heart transplants for all Medicaid beneficiaries. Another option is for the State to try to purchase group health insurance for eligible Medicaid beneficiaries who need heart transplant services. Yet another approach, which has been used by some other states, is the establishment of a special trust fund to help heart transplant patients.

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### Response

The St. Francis Medical Center, the Department of Human Services, and the Department of Health did not submit responses to the draft of this report. The State Health Planning and Development Agency concurs with our recommendations.

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