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HMSA AND HAWAI'I PACIFIC HEALTH ANNOUNCE BOLD MOVE TO TRANSFORM HEALTH CARE IN HAWAI'I

Landmark proposal aims to strengthen care statewide and deliver long-term benefits for Hawai'i families by expanding access and improving affordability.

Honolulu, Hawai'i—Jan. 7, 2026—Hawai'i Medical Service Association (HMSA) and Hawai'i Pacific Health (HPH) will partner together and create a more connected, coordinated system of health care. The boards of both companies have authorized HMSA and HPH to move forward and they will take the next step in the process and submit their proposal to the appropriate state and federal agencies for review. This marks the first step in the public review process.

Under the proposal, HMSA and HPH would establish a new nonprofit parent organization, One Health Hawai'i – a 501(c)(3) – to align strategy, strengthen collaboration, and improve coordination statewide across Hawai'i's health care system. If approved, the affiliation would advance shared goals of making high-quality health care more affordable, expanding access statewide, and fostering long-term financial sustainability for the people of Hawai'i, while supporting providers, health organizations, and communities across the islands. One Health Hawai'i would be jointly led by co-CEOs Mark Mugiishi, M.D. and Ray Vara, and governed by a newly formed board.

Despite Hawai'i's reputation as one of the healthiest states in the nation, Hawai'i families face urgent health care challenges – rising costs, limited access to care, and provider shortages statewide.

“We need a new and innovative approach to health care now,” said Mark Mugiishi, M.D., CEO of HMSA. “The headwinds for affordable health care are strong, but we have the opportunity to create a more resilient and unified health care system that will benefit Hawai'i for generations to come, and we will do it with a commitment to an open system of care where people can still choose the providers and facilities they trust.”

“This proposal is about addressing affordability and ensuring families can access high-quality care where and when they need it,” said Ray Vara, president & CEO of HPH. “By aligning strategy and working together, we can improve coordination, enhance the patient experience, and reduce unnecessary administrative health care costs. These efforts will generate savings that can be reinvested in Hawai'i's health care system and support programs and services that strengthen health across the state – early childhood development and K-12 education, affordable housing, local food sourcing, and workforce development – truly creating healthier communities.”

Making Health Care More Affordable: Lowering Costs and Improving Care

Hawai'i's rising health care costs are putting pressure on families, employers and providers. This proposal addresses the drivers of unaffordable health care by simplifying delivery, reducing inefficiencies and supporting earlier interventions. Key efforts include:

- Minimizing administrative burden, such as duplicative paperwork, tests, and authorizations.
- Improving chronic condition management through better coordination, targeted outreach and community-based support.

- Shifting appropriate services to convenient, lower-cost settings, such as ambulatory surgery centers, rural clinics and home-based care.
- Eliminating inefficiencies to help people receive health care earlier to ensure they are better supported.

Strengthening Health Care Access Across Hawai'i

Access to timely, high-quality health care varies across the islands, especially in rural areas. By aligning care teams, systems and resources, the proposal strengthens Hawai'i's overall health care system so people can get the right care in the right place without unnecessary delays. This includes:

- Investing in affordable, high-quality care on the neighbor islands to reduce wait times and off-island travel.
- Supporting community providers with stronger care delivery tools, resources and coordinated support.
- Streamlining administrative processes, like documentation, scheduling and prior authorizations, to reduce delays and free up more provider time for patients.

Building Health Through Community Reinvestment

This proposal provides opportunities for HMSA and HPH to further reinvest directly in everyday support that helps people stay healthy by focusing on essentials, such as housing, access to food and practical financial guidance. When families have these foundations, they can avoid costly and acute emergency and inpatient care. Providers can focus on preventive care as unnecessary utilization declines, and coverage becomes more affordable. This will build a stronger, more resilient future for Hawai'i.

Healthier Hawai'i Together Public Information Initiative

To ensure clear, accessible information throughout the regulatory review process, HMSA and HPH are launching Healthier Hawai'i Together, a statewide effort to explain the proposal, why it matters and how it will strengthen health care for families and communities. HealthierHawaiiTogether.com will serve as a resource for HMSA members, HPH patients, healthcare partners and professionals, and Hawai'i residents to understand the proposal.

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About Hawai'i Medical Service Association (HMSA)

Caring for the people of Hawai'i is our promise and our privilege. Working together with employers, partners, and physicians and other health care providers, we promote well-being; develop reliable, affordable health plans; and support members with clear, thoughtful guidance. Established in 1938 by social workers, HMSA is the most experienced health plan in the state. Starting in 2025, HMSA is supporting TriWest Healthcare Alliance to administer the U.S. Department of Defense's TRICARE program, providing health care for uniformed service members, their families, and survivors locally. With the addition of TRICARE, HMSA provides health care to nearly 1 million people in Hawai'i. We embrace our responsibility as a recognized leader to strengthen the health and well-being of our community. Headquartered on Oahu with centers statewide to serve our members, HMSA is an independent licensee of the Blue Cross Blue Shield Association.

About Hawai'i Pacific Health

Hawai'i Pacific Health is a not-for-profit health care system including medical centers, clinics, physicians and other caregivers working together to create a healthier Hawai'i. Its four medical centers – Kapi'olani, Pali Momi, Straub Benioff and Wilcox – specialize in innovative programs in bone and joint services, cancer care, cardiovascular services, pediatric care, women's health, and more. Hawai'i Pacific Health's employed physicians and advanced practice providers are unified under the Hawai'i Pacific Health Medical Group, which includes more than 800 health care providers brought together under one operational structure to provide consistency and excellence in patient outcomes and patient experiences across the system. Learn more at HawaiiPacificHealth.org.

About Healthier Hawai'i Together

Healthier Hawai'i Together is a public information initiative on behalf of HMSA and HPH to help people understand the proposed affiliation and the regulatory review process. The initiative is designed to provide clear, factual and accessible information about what is being proposed, why it is under consideration and how it may benefit communities across the islands. The nonprofit

organization will oversee a more coordinated system of care if the proposed affiliation receives all necessary regulatory approvals. Until those approvals are granted, the organization referenced here exists solely for informational purposes and is not an operating entity.