

# **Health Connector Legislative Oversight Committee**

January 20, 2016

**Report & Recommendations from  
Hawai'i's ACA Waiver Task Force**

# What's in the ACA?

## Goals:

Health

Quality

Efficiency

## Strategies:

- Access to Care, including Medicaid and Insurance
- Better models of care
- Value-based payment
- Prevention and community health

# Public Policy Focus Largely on Insurance

- **Medicaid expansion**
- **Exchanges/Marketplaces**
- **No exclusions or upper limits**
- **Individual mandate**
- **Employer coverage**

**Employer coverage in Hawai'i is much better than ACA requires**

# What can be waived? Options identified in ACA §1332

## 1 *Individual Mandate*

States can modify or eliminate the tax penalties that the ACA imposes on individuals who fail to maintain health coverage.

## 2 *Employer Mandate*

States can modify or eliminate the penalties that the ACA imposes on large employers who fail to offer affordable coverage to their full-time employees.

## 3 *Benefits and Subsidies*

States may modify the rules governing covered benefits and subsidies. States that reallocate premium tax credits and cost-sharing reductions may receive the aggregate value of those subsidies for alternative approaches.

## 4 *Exchanges and QHPs*

States can modify or eliminate qualified health plan (QHP) certification and the Exchanges as the vehicle for determining eligibility for subsidies and enrolling consumers in coverage.

# Waiver limitations defined in 12/15 federal guidance

## 1 *Scope of Coverage*

The waiver must provide coverage to at least as many people as the ACA would provide without the waiver.

## 2 *Federal Deficit*

The waiver must not increase the federal deficit.

## 3 *Affordability*

The waiver must provide “coverage and cost sharing protections against excessive out-of-pocket” spending that is at least as “affordable” as Exchange coverage.

## 4 *Comprehensive Coverage*

The waiver must provide coverage that is at least as “comprehensive” as coverage offered through the Exchange.

# Waiver Process: Sunshine-compliant task force

## Task Force Members, 2015

Beth Giesting, Chair, Governor's Office  
Pono Chong, Chamber of Commerce  
Joan Danieleley, Senate Appointee, Consultant  
Jennifer Diesman, Senate Appointee, HMSA  
Bryan FitzGerald, ETS  
Robert Hirokawa, Hawai'i PCA  
David Hong, House Appointee, Small Business  
Daniel Jacob, AG  
Lorrin Kim, DOH

Jeff Kissel, Hawai'i Health Connector  
Royden Koito, DLIR  
Derek Mizuno, EUTF  
Gordon Ito, Insurance Commissioner  
Christine Sakuda, Hawai'i HIE  
Leslie Tawata, Med-QUEST  
Paula Yoshioka, House Appointee, Queen's  
Paul Young, Healthcare Association

# Waiver Process: Products

- **Proposal to meet §1332 and guidance drafted**
- **Public hearings held on draft September – October 2015**
- **TF Proceedings and 2015 Interim Report\***

\* <http://governor.hawaii.gov/healthcareinnovation/healthcare-transformation/>

# Waiver Process: Recommendations

Align ACA employer coverage with Prepaid Health Care Act

## Proposed to Waive

1. Obligation to create/participate in SHOP
2. Obligation to provide employee choice
3. Obligation to offer “silver level” plan (non-compliant with Prepaid)
4. Obligation to offer multi-state plan

## Proposed to Retain

1. Definition of QHP and EHB
2. Individual Exchange via FFM
3. Tax credits that make individual coverage affordable
4. Individual and employer responsibility



# Waiver Process: Next Steps

- **Legislative authority to submit requested 2016**
- **Discussion, clarification with HHS and Treasury 2016**
- **Submission of proposal est. May-June 2016**
- **Approval by Secretaries late 2016**

# CONTACT INFORMATION

Beth Giesting

Office of the Governor

[beth.giesting@hawaii.gov](mailto:beth.giesting@hawaii.gov)

808-586-0034