

STATE INNOVATION WAIVER TASK FORCE
Meeting 10
MINUTES

Date Thursday, April 9, 2015
Time 1:30pm
Place State Office Tower, Room 1403
235 S. Beretania St., Honolulu, HI 96813

Attendance State Innovation Waiver Task Force Members - Present

Beth Giesting, Chair, Governor's Office
Patti Bazin, MedQUEST
Joan Danieleley, Senate Health Care Appointee
Jennifer Diesman, HMSA
David Hong, House Small Business Appointee
Lorrin Kim, DOH
Royden Koito, DLIR
Sandra Yahiro, EUTF
Paula Yoshioka, Queen's Health System
Paul Young, HAH

State Innovation Waiver Task Force Members - Absent

Bryan FitzGerald, OIMT
Robert Hirokawa, HPCA
Gordon Ito, Insurance Commissioner
Daniel Jacob, Office of the Attorney General
Jeff Kissel, Hawaii Health Connector
Sherry Menor-McNamara, Chamber of Commerce of Hawaii
Christine Sakuda, Hawaii HIE

Call to order

The meeting was called to order by Chair Giesting at 1:35 p.m. Giesting welcomed the group, noting special guests Christopher Koller and Bruce Goldberg from the Milbank Memorial Fund. Task force members and members from the public introduced themselves.

Public Comment

There was no opening public comment.

Review of minutes of March 19, 2015

Members Yoshioka moved and Kim seconded approval of minutes as circulated. There was no public comment. The minutes were unanimously approved.

Creation of Permitted Interaction Groups

Members Koito moved and Yoshioka seconded a motion to authorize PIG one, as follows:

- A Hawaii Health Connector PIG to attend HHC board and committee meetings and report back on any issues pertinent to this Task Force. Members are Giesting, Kissel, Koito, and Sakuda.

Members Yahiro moved and Koito seconded a motion to authorize PIG two, as follows:

- A PIG to explore priority issues to waive or modify and report back on any issues pertinent to this Task Force. Members are Danieley, Diesman, FitzGerald, Giesting, Hirokawa, Ito, Kissel, Jacob, and Young. Members Kim moved and Yoshioka seconded a motion to authorize PIG three, as follows:
 - A PIG to identify and use information to estimate potential sums available in lieu of tax credits and to recommend to the Task Force a related methodology for calculating such sums. Members are Danieley, Diesman, Giesting, Ito, Kissel, Koito, and Jacob.

There was no public comment and all three motions were unanimously approved.

ACA Waiver Federal and Legislative Updates

Guest Laurel Johnson from the Governor’s Office summarized recent conversations with federal authorities from DHHS, who are asking for a corrective action plan for the Connector by May 11th and a demonstration that Hawaii’s health plans participating in the individual market can link to the federal exchange as a contingency plan. [This contingency would put Hawaii in a “Supported State Based Marketplace” where the SBM continues to manage consumer issues and certify qualified health plans (QHPs) but would use the federal technology platform to complete eligibility and enrollment.]

Guest Arlene Ige from the Insurance Division reported that the Division is working with plans now to ensure their ability to meet QHP timelines, which include the processes to load ACA QHPs on the FFM platform. This would address the requested contingency plan to allow Hawaii to be a Supported State-Based Marketplace (SSBM).

Guest Della Belatti, State House Health Committee Chair, reported that bills were moving forward that would require all plans offered in the SHOP exchange to align with the Hawaii Prepaid Health Care Act. There is also consideration of measures to provide supplemental funding for the Connector, to allow the Connector to facilitate employer coverage for large employers, and to discontinue the availability of “grandmothered” (i.e., non-ACA compliant) plans. The bill to fund the development of an ACA Waiver is also advancing.

Milbank Memorial Fund Discussion

Guests representing the Milbank Memorial Fund provided background on the Fund and introduced themselves: The Milbank Memorial Fund is a non-grant-making foundation that supports nonpartisan state-based health policy development. Christopher Koller, Milbank CEO, was previously the Insurance Commissioner for the state of Rhode Island and managed a Medicaid health plan there. Bruce Goldberg, working as a consultant to the Milbank Fund, has a long history of state-based health care innovation as director of Oregon’s Department of Health and Human Services, the Oregon Health Authority, and Cover Oregon, Oregon’s state-based marketplace.

Observations on Marketplaces:

- Many states have struggled with establishing health insurance marketplaces, especially the IT aspects. OR, NV, NM, and MD all started as state-based exchanges and experienced major make-overs. Oregon’s exchange is now a Supported State Based Marketplace (SSBM).
- The SSBM is one means to reduce technology costs while maintaining state control of essential marketplace issues including certifying QHPs and managing consumer engagement, both of which are done much better on the local level. It is possible to create a state consumer-facing site for the Connector where the supportive federal technology isn’t apparent.
- In the SSBM at least some of the insurer fees that support the marketplace can be retained by the state but expect to negotiate with the federal government about how much is paid to them for the technology platform.
- The federal government wants insurance marketplaces to succeed. In planning any transitions, communication is key:
 - Be clear about what the state wants. Insist on clarity from the federal agencies.
 - Identify and authorize one person in state government to represent the state position.

- Having a nonprofit/nongovernmental Connector does complicate direct communications: Who does CCIIO talk to? Who makes decisions?
- Understand that federal agency decisions have political, not just regulatory, aspects so involve the congressional delegation appropriately.
- Emphasize Hawaii's successes – increased individual enrollment on the Connector, increased Medicaid enrollment, and small business-sponsored insurance far more robust than required under ACA.
- Play on Hawaii's unique marketplace attributes: Giving Hawaii some flexibility will not set precedent for other states because no other state has an ERISA-waived Prepaid mandate.
- In ten years the insurance exchange and any proposed transitions will no longer be issues but health and care will be even more important. Don't lose sight of the agenda for health care innovation and improvement.

Observations on Innovation Waivers

- ACA waivers are not intended to be health insurance marketplace sustainability plans.
- ACA seems to have envisioned waivers to support sweeping marketplace changes that would involve Medicaid and Medicare strategies but it isn't entirely clear where the boundaries are.
- Much of the health care innovation agenda can be accomplished without ACA waivers. For example, Vermont and Oregon have established multi-payer community care organizations or networks and Maryland has a multi-payer hospital payment mechanism - all done outside of ACA waivers.
- No other states are very far along in designing waivers. ACA implementation fatigue and limited state resources probably contribute to this lack of attention.
- The "Basic Health Plan" to expand Medicaid-like coverage to populations up to 200% of poverty is already permissible but no states so far have implemented it.
- Some states (so far just "red" states) have considered waiving the individual marketplace and pooling ACA subsidies and Medicaid expansion into a private coverage strategy but those are the states where Medicaid expansion is less likely.
- The SHOP exchange can be changed or eliminated in an innovation waiver proposal.

Other Discussion:

- SSBM is problematic for SHOP and supporting Prepaid. Feds are emphasizing the SSBM for the individual market but it isn't clear what the options are for SHOP in contingency planning.
- Corrective action plan includes addressing some operational/technical issues such as income verification with the IRS. It also must address sustainability.
- Small businesses are frustrated that they are already taking responsibility for covering employees and also have to pay more to support a health insurance exchange.

Adjournment

The meeting was adjourned at 2:55 p.m.