

STATE INNOVATION WAIVER TASK FORCE
MINUTES

Date Wednesday, December 2, 2015
Time 2:00 p.m.
Place State Capitol, Room 329

Attendance

Task Force Members - Present

Pono Chong, Chamber of Commerce of Hawai'i
Beth Giesting, Chair, Governor's Office
David Hong, House Small Business Appointee
Daniel Jacob, Office of the Attorney General
Royden Koito, DLIR
Derek Mizuno, EUTF
Carole Richelieu, Insurance Division
Paula Yoshioka, the Queen's Health System
Paul Young, HAH

Task Force Members - Absent

Jennifer Diesman, HMSA
Bryan FitzGerald, Office of Enterprise Tech Services
Robert Hirokawa, HPCA
Lorrin Kim, DOH
Eric Alborg, Hawaii Health Connector
Christine Sakuda, Hawai'i HIE
Leslie Tawata, MedQUEST

Call to order

The meeting was called to order and roll taken by Chair Giesting at 2:20 p.m. Task force members and members of the public introduced themselves including two new guests, Garret Sugai from Kaiser Permanente and Colette Masunaga from the Queen's Health System.

Public Comment

There was no opening public comment.

Review of minutes of November 19, 2015

There was no public comment. Members Richelieu moved and Koito seconded a motion to approve the minutes of November 19, 2015 as circulated. The motion was unanimously approved.

Creation of "Next Steps" Permitted Interaction Groups

Members Richelieu moved and Chong seconded a motion to authorize a PIG to identify and contribute information and materials needed to develop a waiver and to report back to the task force. Members are Chong, Diesman, FitzGerald, Giesting, Jacob, Koito, Richelieu, and Young. There was no public comment and the motion was unanimously approved.

ACA Waiver Federal and Legislative Updates

Members of the public Laurel Johnston and Linda Chu Takayama provided an update on the transition of the Hawai'i Health Connector including that its office will close on December 4, 2015. State agencies have taken responsibility for most functions and are working with CCIO to transfer the exchange grant to the State. Everything possible is being done to ensure that individuals are able to enroll in a timely way and special attention is being given to ensure that Hawai'i residents from Micronesian nations under the Compacts are enrolled with no break in coverage. The Legislature is expected to take action during the coming session to decommission the Connector.

Ratifying or Changing Decision to Retain all Ten EHB

Chair Giesting reviewed the discussion from the September 28, 2015 meeting during which the task force discussed its decision to keep all ten ACA Essential Health Benefits and concerns about adding to mandates and costs. Prescription

drug coverage is of special concern since this is increasingly costly and, due to Prepaid, employers will have to pay for most of it. Discussion addressed:

- Bundled vs unbundled (costs for all the EHB are incorporated into a single premium in ACA-compliant plans)
- Concern about reaching the “Cadillac Tax” threshold
- Concern about how maximum out of pocket expenses would be affected
- Opposition to waiving prescription coverage from consumers and, presumably, from DHHS and many legislators
- Chamber of Commerce informal survey indicates that 90% of businesses cover prescription drugs for employees at 100% or at least with no more cost-share than allowed for Prepaid-mandated benefits, and 70% provide the same for employees’ families. The Chamber’s position is to maintain current Prepaid benefits and classify non-Prepaid EHBs as optional
- The cost of drug coverage is rising but also such coverage truly is essential and its exclusion might save little money if people don’t get prescriptions they need
- The increased costs, if paid for by employers, could threaten the continuation of Prepaid
- AG opinion says that if drugs are mandated for the employee (which they would be unless waived) then Prepaid says employers must pay
- The actuarial value of Prepaid coverage is already high enough to meet the waiver test, although the array of benefits would not be equivalent
- Small businesses are used to insuring their employees and budget it as a cost of business. Most businesses are prepared to continue to provide this coverage

Members Koito moved and Chong seconded a motion to rescind the task force’s earlier decision to retain prescription drug coverage as an Essential Health Benefit. The motion failed when the task force’s vote did not support it.

ACA Waiver “Next Steps” PIG report.

Small Business Tax Credit. Chair Giesting reviewed the reasons for reconsidering whether to request funds for administering a small business tax credit in-state as part of the waiver and briefly laid out pros and cons for doing so. The PIG has explored the issue in greater depth and recommends that the task force rescind the proposal to request funds in lieu of the tax credit; instead maintaining the current process where eligible small businesses apply for the tax credit through the IRS. There was no public comment. The issue will be scheduled for a vote at the next task force meeting.

Legislation. Chair Giesting invited members to comment or recommend edits to the draft bill as circulated. The bill is expected to be included in the Governor’s legislative package. Approval of a draft bill will be scheduled for a vote at the next task force meeting.

Report to Legislature

Chair Giesting noted that she will be sending an updated version of the report to members and requested any comments or changes be sent to her by email (beth.giesting@hawaii.gov). The final report is due in December.

Next Meeting

The group proposed meeting on Thursday, December 10th at 2:00 p.m., place TBD.

Adjournment

There was no concluding public comment and the meeting was adjourned at 3:15 p.m.