

STATE INNOVATION WAIVER TASK FORCE

Meeting 8

MINUTES

Date Thursday, February 26, 2015
Time 9:00am
Place DCCA Queen Liliuokalani Hearing Room
335 Merchant St., Honolulu, HI 96813

Attendance State Innovation Waiver Task Force Members - Present

Beth Giesting, Chair, Governor's Office
Joan Danieleley, Senate Health Care Appointee
Jennifer Diesman, HMSA
Bryan FitzGerald, OIMT
Robert Hirokawa, HPCA
David Hong, House Small Business Appointee
Gordon Ito, Insurance Commissioner
Daniel Jacob, Office of the Attorney General
Lorrin Kim, DOH
Royden Koito, DLIR
Christine Sakuda, Hawaii HIE
Sandra Yahiro, EUTF

State Innovation Waiver Task Force Members - Absent

Kenny Fink, MedQUEST/DHS
Jeff Kissel, Hawaii Health Connector
Sherry Menor-McNamara, Chamber of Commerce of Hawaii
Paula Yoshioka, Queen's Health System
Paul Young, HAH

Call to order

The meeting was called to order by Chair Giesting at 9:03 a.m. Chair Giesting welcomed the group and took roll call.

Public Comment

There was no opening public comment.

Review of minutes of February 12, 2015

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

Creation of Permitted Interaction Groups

Members Diesman moved and FitzGerald seconded a motion to authorize a Hawaii Health Connector PIG to attend HHC board and committee meetings and report back on any issues pertinent to this TF. Members are Giesting, Kissel, Koito, and Sakuda. There was no public comment. The motion was unanimously approved.

Members Diesman moved and Sakuda seconded a motion to authorize a PIG to explore priority issues to waive or modify and report back on any issues pertinent to this TF. Members are Danieleley, Diesman, FitzGerald, Giesting, Hirokawa, Ito, Kissel, Jacob, and Young. There was no public comment. The motion was unanimously approved.

Sunshine Law Reminder

Chair Giesting reminded the task force of the sequence of reporting, discussion, and decision-making on PIG reports under Sunshine Law.

Connector PIG Report

In lieu of member Kissel, Eric Alborg reported for the Connector PIG that the Hawaii Health Connector:

- Has enrolled nearly 24,000 people
- Approximately 2,300 of the 24,000 are SHOP enrollees
- The Connector's next board meeting is on March 6, 2015

There was no public comment.

Waiver/Modification PIG Report

Chair Giesting led discussion on the report provided by the Waiver Options PIG at the February 12, 2015 meeting.

PIG purpose: Explore ACA sections to waive or modify

Members: Alborg, Diesman, Fink, Giesting, Ito, Jacob, FitzGerald

QHPs and EHBs

Section 1302

- Individual and SHOP are assumed to be separable – no discussion.
- Retain 4 metal levels for individual market – no discussion.
- Require that SHOP/ACA plans comply with Prepaid 7A and 7B – no discussion.
- Try to make benefits as consistent as possible for small and large businesses, i.e., consistent with PHCA.
 - Should prescription drug benefits that are required for small businesses be mandated for all? Discussion:
 - Reportedly most large employers already offer this benefit but might object to making it a state requirement.
 - What would be the impact of a mandate? Cost to employers? Cost to consumers? Unintended duplication of coverage? Effect on out-of-pocket costs and limits? Effect on prescription compliance and consequent health outcomes and costs? A study should be conducted.
 - Should dental benefits (required for small businesses) be mandated for all? Discussion:
 - Similar to above: employers provide but might object to mandate.
 - What would be the expected result of expanded dental coverage since utilization is low even for people who do have dental insurance.
 - Clarify dental enrollment processes for children. This should be done but isn't related to a waiver.
 - Recommend that ACA cost-sharing annual limits for employer-sponsored plans become state law.
Discussion:
 - ACA Maximum Out Of Pocket (MOOP) allowable is \$6,350 but may be separate for medical coverage and drug coverage.
 - Pre-ACA MOOP for Hawaii employer-sponsored plans was up to \$10,000.
 - MOOP affects cost of premiums and is related to questions above about including pharmacy and dental benefits
 - It would be useful to know how many/what percent of people covered by employer-sponsored plans have hit the MOOP for either medical or drug coverage.
 - Recommend that ACA deductible annual limits for employer-sponsored plans become state law.
Discussion: Same as above.
- Catastrophic plans – no change from ACA – no discussion.
- Children-only plans – no change from ACA – no discussion.

Section 1303

- Special rules related to abortion services – no change from ACA – no discussion.

Section 1304

- Definitions of small and large employer groups. Discussion:
 - PIG recommended continuing to define small business as one with 50 or fewer employees, which would serve the goal of having as many businesses in Hawaii conforming to the single standard of the PHCA without the additional benefits or premium determination required by the ACA.
 - PIG considered defining small business as one with 25 or fewer employees since that's the ceiling for small business tax credits.
 - The ACA calls for increasing the definition to 100/fewer starting January 1, 2016, and state legislation is pending to increase the definition to 100/fewer as well.
 - There is value in limiting the whipsaw effect of changing the definition from the current 50/fewer unless the federal government or the legislature requires the definition to be 100. If the threshold increases to 100, it probably wouldn't be useful to change it back to 50 via a waiver.
 - Because of the premium rating differences there are "winners" and "loser" in either scenario.

Providing consumers a health insurance exchange

Sections 1311/1312

- **Individual Exchange**
 - PIG's recommendation is to retain a State-based Marketplace with the following characteristics:
 - Consolidate eligibility for Medicaid and APTC/CSR in a single location.
 - APTC/CSR eligibles are routed to a shop & compare website
 - Insurers complete the enrollment, billing, and reporting to simplify and streamline the process.Discussion:
 - AG has been asked to address question of whether only the Medicaid agency can determine eligibility or if a sanctioned system using Medicaid rules is acceptable
 - The concept is to simplify and keep costs modest for individual coverage
 - Interest in customer assistance and neutrality in choosing plans needs to be balanced by costs to serve a small number of people (which would be expected to shrink as individual enrollees become familiar with the process and/or maintain the same coverage in future years)
 - Technology changes would have to be addressed but insurers are interested in a streamlined process
 - State CIO would have to sanction any enterprise IT issues
 - Fallback (available but not the preferred option)
 - "Supported State-Based Marketplace" that uses FFM platform for eligibility
 - Medicaid-eligible files sent to DHS for enrollment
 - Other individuals enrolled via FFMDiscussion:
 - Costs for consumers and the state are unknown for this option. At the very least MQD would incur IT costs to accept files from the FFM
- **SHOP Exchange**
 - PIG's recommendation is to retain a State-based SHOP with modifications, as follows:
 - Develop robust, dynamic shop & compare website that allows small businesses to enter employee data and select best plan
 - Employer contacts insurer directly or through broker to complete enrollment, billing, reporting
 - Small business tax credit to be provided via IRS or to state for innovation (if waiver needed)Discussion:

- Proposed model would likely increase transparency and competition. Insurers are already mandated to provide rate/benefit information to Insurance Division and would want to be part of this Shop and Compare function.
 - Employee choice would not be enhanced with this model but neither would it deter any employer who did want to offer choice
 - This would work only for small businesses because large businesses negotiate rates in other ways
 - State CIO would have to sanction any enterprise IT issues
- Fallback (available but not the preferred option)
 - Supported State-Based Marketplace that uses FFM platform for enrollment in PHCA compliant plans that are qualified by Hawaii Insurance Commissioner (these would be the only plans available to Hawaii employees)
- Discussion:
- FFM not flexible and we don't know how/if Prepaid can be accommodated
 - Don't know how much it would cost

Premium Tax Credits & Cost Sharing

Sections 1402/36B

- Retain APTC and CSR that make insurance affordable for individuals
- If methodology allows, determine if unclaimed APTC/CSR credits could be available to Hawaii for innovation
- If SHOP is waived use small business tax credits that would have been available to enhance affordability for small businesses or part-time workers, or other innovations
- Federal agencies have not decided on methodology to calculate sums
- PIG unable to find good data sources with which to develop estimates
- Further discussion is warranted to explore innovations that would further reduce the number/percentage of uninsured in Hawaii and improve care.

Discussion:

- PIG should identify available information to estimate potential resources available from waived tax credits, and should consider and recommend a methodology to DHHS

Creation of Permitted Interaction Group

Members FitzGerald moved and Danieleley seconded a motion to authorize a PIG to identify and use information to estimate potential sums available in lieu of tax credits and to recommend a related methodology for calculating such sums. Members are Danieleley, Diesman, Giesting, Ito, Kissel, Koito, and Jacob. There was no public comment. The motion was unanimously approved.

Proposed legislation

Chair Giesting noted that both House Bill 576 and Senate Bill 1341 to amend the charge for the task force and appropriate funds for waiver development are scheduled for hearing in their respective money committees. The task force asked for discussion at the next meeting of all the pending bills that would affect waiver recommendations.

Public Comment

There was no concluding public comment.

Next Meeting

9:00 a.m. on March 12, 2015. King Kalakaua Hearing Room, Ground Floor, DCCA.

Adjournment

The meeting was adjourned at 10:50 a.m.