

STATE INNOVATION WAIVER TASK FORCE

Meeting 6

Minutes

Date: Tuesday, January 13, 2015
Time: 9:00am
Place: State Office Tower, Leiopapa a Kamehameha Bldg., Room 204
235 S. Beretania St., Honolulu, HI 96813

Attendance:

State Innovation Waiver Task Force Members - Present

Beth Giesting, Chair, Governor's Office
Eric Alborg, Hawaii Health Connector
Jennifer Diesman, HMSA
Kenny Fink, MedQUEST/DHS
Bryan FitzGerald, OIMT
Robert Hirokawa, HPCA
Gordon Ito, Insurance Commissioner
Daniel Jacob, Office of the Attorney General
Lorrin Kim, DOH
Royden Koito, DLIR
Sherry Menor-McNamara, Chamber of Commerce of Hawaii
Christine Sakuda, Hawaii HIE
Sandra Yahiro, EUTF
Paula Yoshioka, Queen's Health System
Paul Young, HAH

State Innovation Waiver Task Force Members - Absent

Joan Danieley
Vacant, House Small Business Appointee

Call to order:

The meeting was called to order by Chair Giesting at 9:05 a.m. Chair Giesting welcomed the group and took roll call, noting new members and the vacancy of a House-appointed position.

Public Comment

There was no opening public comment.

Review of minutes of December 11, 2014

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

Creation of Permitted Interaction Groups

Members Yoshioka moved and Hirokawa 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 Alborg, Fink, Giesting, Menor-McNamara, and Sakuda. There was no public comment. The motion was unanimously approved. Subsequently, members FitzGerald and Fink moved and seconded an amendment to add Royden Koito to the PIG, which was unanimously approved.

Members Alborg moved and Yoshioka seconded a motion to authorize a Waiver/Modification PIG to explore priority issues to waive or modify and report back on any issues pertinent to this TF. Members are Alborg, Diesman, Fink, FitzGerald, Giesting, Ito, and Jacob. There was no public comment. The motion was unanimously approved.

Connector PIG Reports

Member Alborg reported for the Connector PIG that the Hawaii Health Connector had filed its 2014 annual report to the Legislature [Chair Giesting will distribute copies to members of the task force], that the board has a new ex officio member from DLIR and is pursuing the process for appointments to two board vacancies, and that the board started to consider increasing premium fees from 2% to 3.5%. Member Sakuda added that the board was considering all options for sustainability and asked for clarification about how or whether the task force and Connector have overlapping concerns and communication on this matter.

Discussion on the last point included that the task force was created to explore and advise the legislature on the best ACA marketplace options for Hawaii that can be obtained via a waiver process. While the recommendations of the task force are likely to affect the Connector's sustainability, its sustainability, per se, is not the province of the task force. Members acknowledged that waiver issues and decisions should articulate the impact they would have on Connector responsibilities and sustainability. It was also noted that there are many members in common between the Connector and the task force. Member Alborg said he would take responsibility to formally report on the task force's work to the Connector board.

There was no public comment.

Waiver/Modification PIG Report

Chair Giesting outlined the context for considering the waiver, including preserving the Prepaid Health Care Act, the implications of a pending Supreme Court decision on whether individual subsidies will be available via the federal exchange, the preferences of a new administration, the cost/sustainability concerns of the Connector, and the complexity of accountability for ACA responsibilities divided among multiple federal and state government agencies and a non-governmental entity. The PIG proceeded to review and discuss the list of waivable sections. See task force PowerPoint presentation summarizing report.

Discussion on the PIG report included:

- Essential health benefit (EHB) required by the ACA affect all individuals and small businesses that didn't choose grandmothers plans.
- In 2017 large businesses will be required to provide coverage. Members differ on whether small and large businesses will be subject to the same EHBs at that time. We need clarity on that point to know whether or not this provision could be addressed in a waiver.
- COFA migrants not eligible for Medicaid can get subsidies on the individual exchange. Since DHS is subsidizing their premiums, it is important to be able to identify eligible migrants in the exchange. That would be problematic if Hawaii were in the federal exchange, which isn't likely to be able to support such coordination.
- Although the ACA states that no waivers can be implemented before 1/1/2017, there is no deadline for applying for a waiver. The group must remember that the process is time-consuming and the more complex the provisions, the more time it will take. A question to answer is whether multiple waivers can be submitted as Hawaii refines or expands its plans.
- If the SHOP exchange were waived, ACA small business requirements would still be in place (unless waived).
- If SHOP were waived, presumably small employers could no longer get tax credits for employee coverage; however, the estimated amount of the tax credit that would have been provided to Hawaii employers is still available to Hawaii to support other ACA benefits or state-managed employer insurance subsidies.
 - Members differ on whether employer tax credits are available for two years no matter when they start or whether there is a date-certain when they expire.

- The Connector has done a market study (included in the HHC Annual Report) to project the magnitude of employer tax credits over time. The 2013 Oliver Wyman study commissioned by the Insurance Division may also address the question of how much could be generated by such credits. [Chair Giesting will share the report with members.] It isn't known yet how the federal government will estimate tax credits if Hawaii waives SHOP. Because few eligible small businesses have enrolled in Hawaii's SHOP there may be a lot of untapped potential. Conversely, if the estimate is based on current experience, the amount would be limited. A larger amount available would allow a waiver plan to be more innovative.
- A certain number of non-resident or ACA-ineligible people use Hawaii's health care resources: is the impact of this population known and might it be addressed in a waiver? The Healthcare Association of Hawaii may have data to shed light on this question.
- We need to be in touch with the federal authorities to exchange information and get as much clarification as possible from them. Member Alborg will share CCIIO contact information with Chair Giesting.

There was no public comment.

Proposed legislation

Chair Giesting continues to seek a decision on whether the Administration will sponsorship of the proposed bill.

Public Comment

There was no concluding public comment.

Next Meeting

Chair Giesting proposed that the task force meet twice a month, on the 2nd and 4th Thursdays, during the upcoming months. The next meeting is scheduled for January 29th at a place to be determined.

Adjournment

The meeting was adjourned at 10:40 a.m.