

STATE INNOVATION WAIVER TASK FORCE

Meeting 12

MINUTES

Date Thursday, June 25, 2015
Time 9:00 a.m.
Place DCCA, Queen Liliuokalani 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
Gordon Ito, Insurance Commissioner
Daniel Jacob, Office of the Attorney General
Royden Koito, DLIR
Leslie Tawata, MedQUEST
Paul Young, HAH

State Innovation Waiver Task Force Members - Absent

David Hong, House Small Business Appointee
Lorrin Kim, DOH
Jeff Kissel, Hawaii Health Connector
Sherry Menor-McNamara, Chamber of Commerce of Hawaii
Derek Mizuno, EUTF
Christine Sakuda, Hawaii HIE
Paula Yoshioka, Queen's Health System

Call to order

The meeting was called to order and roll taken by Chair Giesting at 9:08 a.m.

Public Comment

There was no opening public comment.

Review of minutes of May 14, 2015

There was no public comment. Members Koito moved and Young seconded a motion to approve the minutes of May 14, 2015 as circulated. The motion was unanimously approved.

Creation of Permitted Interaction Groups

A PIG was proposed to attend Hawaii Health Connector board meetings but was withdrawn because no more than two task force members remain as HHC staff or board members.

Members Diesman moved and Young seconded a motion to authorize a PIG to identify next steps needed to develop a waiver and report back to the task force. Members are Danieleley, Diesman, FitzGerald, Giesting, Hirokawa, Ito, Jacob, Kissel, Koito, and Young.

A question was raised about whether member Kissel should be included in the PIG but, as no conflict of interest was identified, his inclusion stood.

There was no public comment and the motion were unanimously approved.

ACA Waiver Federal and Legislative Updates

Chair Giesting noted the announcement earlier in the day about the Supreme Court's decision to uphold the Affordable Care Act in King vs. Burwell. She also introduced Teal Takayama, a legislative analyst in the Governor's Office, who will be working with the Office and task force on ACA waiver development.

Chair Giesting outlined current directions for Hawaii vis-à-vis the marketplace, as follows:

- Moving to Supported State-Based Marketplace (SSBM)
- Consolidates applications at www.healthcare.gov
- Maintains access to affordable coverage for individuals (surcharge for individual coverage on the federal exchange is 3.5%)
- State manages plans to advance public policy goals
- State still has responsibility for promoting and facilitating enrollment
- DHHS has confirmed that direct enrollment for SHOP is approved for Hawaii
- A transition plan has been submitted jointly by the Connector and State
- Details remain to be addressed

Clarification sought by members included confirmation that the 3.5% fee would come to Hawaii to defray costs, at least for the first year (after that the State must negotiate with DHHS). It is not entirely clear how SHOP premium tax credits will be substantiated and applied for, nor is it decided how small business eligibility and plan purchases will be validated or by whom. The "certification" of QHPs for which the Connector has been responsible also needs to be addressed.

There was no public comment.

Discussion on Tax Credit Estimate/Methodology PIG Report from May 14, 2015

The task force discussed the report from the Tax Credit Estimate/Methodology Permitted Interaction Group presented on May 14, 2015. (Specific information is in the presentation materials and minutes from 5/14/15.) The tax credit estimates and methodology were related exclusively to a prospective SHOP waiver. Discussion included:

- Possible tax credits for individual coverage. One member advocated that Hawaii should request tax credits for individuals who obtained coverage but did not take advantage of the tax credits for which they were eligible; moreover, not all uninsured people are yet covered. Others pointed out that Hawaii isn't planning to waive the individual marketplace so asking for the credits would be impermissible and that DHHS would likely argue that the state maintains the responsibility to assist consumers so that they are aware of and act on their eligibility for assistance in the individual marketplace.
- Proposed purposes that tax credit funds would support.
 - At least part of the money should fund the State Premium Supplementation Program. That program, which was established as part of the Prepaid Health Care Act, has narrow parameters that cannot be changed. A new program could be created outside of Prepaid whose eligibility criteria would be more aligned with those in the ACA.
 - More information was requested about the characteristics of those businesses that are currently or did take advantage of the ACA small business tax credits.
 - The appropriateness was questioned of paying for programs or activities that aren't related to small business insurance coverage, such as helping to defray the State's costs to supplement COFA coverage.

Report from ACA Waiver Development Next Steps PIG

This Permitted Interaction Group was made up of members Danieleley, Diesman, FitzGerald, Giesting, Hirokawa, Ito, Jacob, Kissel, Koito, and Young and its purpose was to define next steps to develop a waiver proposal. Chair Giesting outlined the report, including:

- The individual marketplace should be the Supported State Based Marketplace rather than maintaining a completely independent state marketplace as earlier recommended by the task force.
- A SHOP waiver should be requested. While the task force endorsed the interactive, robust “shop and compare” functionality, the PIG advised that it should not be included as part of a waiver proposal. The PIG further suggested that business groups, such as the Chamber of Commerce, should be consulted to determine the value such a function would have.
- A summary report of all waivable elements and the task force’s recommendations should be drafted.
- A list of actions needs to be created and worked on in accordance with the ACA rules and regulations. These include carrying out public hearings, identifying and gathering data, and assessing the actuarial value of PHCA-compliant plans.
- Meetings with legislators should be scheduled. If desired by legislators, a presentation should be made at a public briefing.

A clarifying point was made that the advantages of a “shop and compare” website will be more pronounced in future when all plans for small businesses conform to the ACA, which will use age or community rating rather than experience rating for premiums.

An additional clarifying point was that a waiver proposal should be in an advanced stage by no later than October so that required legislation can be drafted.

Public comment from Pono Chong from the Chamber of Commerce included willingness to participate in discussions about the “shop and compare” function and other aspects of the proposed waiver. He noted that the Chamber has actively promoted small business tax credits to members but with little uptake.

Report from Hawaii Health Connector Permitted Interaction Group

Members noted that the HHC board voted to accept the \$2 million appropriation from the State for FY 2016. The Connector is executing its transition plan, working in coordination with the State and DHHS. HHC is no longer supporting SHOP functions.

Next Meeting

Chair Giesting announced that the next TF meeting will be on July 16, 2015 at 9:00 a.m. The place is to be announced.

Adjournment

The meeting was adjourned at 10:35 a.m.