

STATE INNOVATION WAIVER TASK FORCE

Meeting 9

MINUTES

Date Thursday, March 19, 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
David Hong, House Small Business Appointee
Gordon Ito, Insurance Commissioner
Daniel Jacob, Office of the Attorney General
Jeff Kissel, Hawaii Health Connector
Royden Koito, DLIR
Sandra Yahiro, EUTF
Paul Young, HAH

State Innovation Waiver Task Force Members - Absent

Robert Hirokawa, HPCA
Lorin Kim, DOH
Sherry Menor-McNamara, Chamber of Commerce of Hawaii
Christine Sakuda, Hawaii HIE
Leslie Tawata, MedQUEST Administrator
Paula Yoshioka, Queen's Health System

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.

Public Comment

There was no opening public comment.

Review of minutes of February 26, 2015

Members FitzGerald moved and Young 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 Danieleley seconded a motion to authorize three PIGs, 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.
- A PIG to explore priority issues to waive or modify and report back on any issues pertinent to this Task Force. Members are Danieleley, Diesman, FitzGerald, Giesting, Hirokawa, Ito, Kissel, Jacob, and Young.
- 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 Danieleley, Diesman, Giesting, Ito, Kissel, Koito, and Jacob.

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

Member Kissel reported for the Connector PIG that the Hawaii Health Connector has enrolled about 31,000 lives to-date in the individual and SHOP markets, with about 1,900 being in dental-only plans. He noted that the best way to reflect enrollment activity would be to look at member-months but that that information is not required by the federal government or others.

There was no public comment.

Waiver/Modification PIG Report

Chair Giesting led the task force through decision-making on the report provided by the Waiver Options PIG at the February 12, 2015 meeting and subsequent discussion at the February 26, 2015 meeting.

PIG purpose: Explore ACA sections to waive or modify

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

QHPs and EHBs

General statement that applies to the Task Force's recommendations: Qualified Health Plans and Essential Health Benefits should, to the extent possible, support the tenets of the Prepaid Health Care Act for businesses. Coverage options for individuals should be as diverse as possible while ensuring certain consumer protections. The State Attorney General is required to approve any waiver recommendations that have legal ramifications and the State CIO is required to approve any waiver recommendations that affect substantive State technology resources and plans.

Section 1302

Members Danielely moved and Young seconded a motion to approve the following recommendations:

- For purposes of waiver recommendations, individual and SHOP marketplaces should be treated separately.
- The four metal levels should be retained for the individual market.
- All SHOP/ACA plans should also comply with Prepaid 7A and 7B.
- To the extent practical, the Task Force aspires to make benefits as consistent as possible for small and large businesses, i.e., consistent with PHCA.

There was no public comment. The motion was unanimously approved.

Members Diesman moved and Danielely seconded a motion to approve the following recommendation:

- Essential Health Benefits. Determining whether or not all employment-based insurance should include prescription benefits, child and adult dental benefits, and child vision benefits is an important policy matter that should be determined by the legislature. The Task Force will endeavor to provide the legislature with information about the potential costs, benefits, and complications that should be considered in making such decisions. The Task Force asked Insurance Commissioner/member Ito to draft a summary with the assistance of Pono Chong from the Chamber of Commerce.

There was no public comment. The motion was unanimously approved.

Members Danielely moved and Ito seconded a motion to approve the following recommendation:

- Maximum Out of Pocket Expenses. There is no need to request a waiver of the ACA annual limits on cost-sharing for employer-sponsored plans or on deductibles for employer-sponsored plans. Currently cost-sharing

and deductibles that accord with Prepaid plans are lower. Should that change, the ACA limits would serve as a ceiling.

There was no public comment. The motion was unanimously approved.

Members Diesman moved and Young seconded a motion to approve the following recommendations:

- ACA catastrophic plans should be retained without waiver.
- ACA children-only plans should be retained without waiver.

There was no public comment. The motion was unanimously approved.

Section 1303

Members Diesman moved and Young seconded a motion to approve the following recommendation:

- ACA Special rules related to abortion services should be retained without waiver.

There was no public comment. The motion was unanimously approved.

Section 1304

Members Danieley moved and Yahiro seconded a motion to approve the following recommendation:

- A small business should be defined as one with 50 or fewer employees due to the implications of ACA-required premium rating (i.e., either age rating or community rating as opposed to experience rating) as well as differences between ACA benefit mandates for small businesses and Prepaid requirements for all other businesses. However, the Task Force also recognizes the confusion and extra work that would accompany changing the definition back and forth. Accordingly, if federal or state law has been implemented that defines a small business as one with 100 or fewer employees at the time a waiver is effective, it would be preferable to maintain that standard.

There was no public comment. The motion was unanimously approved.

Providing Consumers a Health Insurance Exchange

Sections 1311/1312

Individual Exchange

General statement that applies to the Task Force's recommendations: Changes in the state-based marketplace should result in improved consumer service; reduced duplication and costs; and enhanced security, efficiency, and sustainability. With those goals, some functions that lend themselves to change include eligibility determination; outreach, marketing, and application assistance; and insurance enrollment, billing, and reporting. The State Attorney General is required to approve any waiver recommendations that have legal ramifications and the State CIO is required to approve any waiver recommendations that affect substantive State technology resources and plans.

Members FitzGerald moved and Jacob seconded a motion to approve the following recommendations:

- Hawaii should retain a state-based marketplace.
- Hawaii should consolidate eligibility functions for all individuals within a responsible State agency. (In accordance with an opinion from the State Attorney General, a State agency must make Medicaid determination; hence, consolidated eligibility can be done only by a State agency.)

There was no public comment. The motion was unanimously approved.

Members Diesman moved and Yahiro seconded a motion to approve the following recommendation:

- Any individual, whether or not eligible for advance payment tax credits or cost sharing reductions, who is seeking insurance should be directed to a "shop and compare" website for information about plan

availability, benefits, and costs. (The eligibility system should route APTC or CSR-eligibles directly to the shop and compare site after determination.) Upon choosing a plan on the shop and compare site, the individual should be linked directly to the chosen insurer to complete enrollment, billing, and reporting. As noted in the general statement above, the majority of Task Force members prefer this model to improve customer service, reduce duplication of effort, and result in a more cost-effective, sustainable individual marketplace. Member Kissel stated that he believes the proposed model would effectively eliminate the state-based exchange.

There was no public comment. The motion carried with seven members voting in favor, members Kissel and Koito opposing, and members Danieley and Young abstaining.

Members Diesman moved and Young seconded a motion to approve the following recommendation:

- Hawaii should not voluntarily become a “Supported State-Based Marketplace.”

There was no public comment. The motion was unanimously approved.

SHOP Exchange

Decisions about the Task Force’s preferences of the SHOP exchanged were tabled pending further information and discussion about how proposed models might support or decrease employee choice and marketplace competition.

Report from Tax Credit Methodology Permitted Interaction Group

The Tax Credit Methodology PIG’s report was postponed due to time constraints.

ACA Waiver Legislative Updates

Chair Giesting reported that both the House and Senate’s bills ([HB 576](#) and [SB 1341](#)) supporting the ACA State Innovation Waiver Task Force survived cross-over. HB 576 was heard and passed by the Senate Committee on Commerce and Consumer Protection on March 17th.

Member Diesman reported on other bills related to the ACA and Connector still under legislative consideration, as follows:

- [HB1467, HD 2](#). Enables the Hawaii Health Connector to offer large group coverage. Requires health insurers with greater than 20 percent share of the State's small group health insurance market to offer gold and platinum level qualified health plans as a condition of participation in the individual market of the Hawaii Health Connector. Ends transitional renewal policies effective 1/1/2016. Amends state small market parameters to comport with federal law. Adds notification requirements.
- [HB 727, HD 2](#). Amends the definition of "qualified plan" under the Hawaii Health Connector to specify that a plan must be a bronze, silver, gold, or platinum plan for individual plans and a gold or platinum plan for small business health options program plans.
- [SB 2018, SD 2](#). Aligns state law with certain provisions of the Affordable Care Act by requiring qualified health plans in the connector to contract with federally-qualified health centers and utilize payment methodology as specified in the federal Social Security Act. Retains current financial and service benefits of the Hawaii Health Connector. Enhances the availability of services through the Connector. Authorizes the State of Hawaii to guarantee debentures issued by the Connector. Specifies that the Director of Finance, pursuant to an act of the Legislature, may use the emergency and budget reserve fund to guarantee, approve, and oversee the issuance of the debentures by the Connector. Effective 07/01/2050.

Member Jacob asked if the Task Force is or should be testifying on any pending legislation that changes the definition of small business from 50 or less to 100 or less. Chair Giesting noted that Act 158 creating the Task Force speaks only to reports to the Legislature and suggested that each member and the organization for which they work should decide on testimony.

Public Comment

Member of the public, Laurel Johnston, commented that the Governor is taking an active leadership role in federal and state plans for our marketplace and the Connector. The Governor's Office is ensuring that all state agencies involved are consulted and more information should soon be available to share. The Governor's Office is also coordinating communication with the congressional delegation and federal agencies to ensure consistent messages about the Governor's concerns and position with a priority being to ensure that the Prepaid Health Care Act is not eroded.

Next Meeting

9:00 a.m. on April 9, 2015. Capitol Center, Room 305.

Adjournment

The meeting was adjourned at 11:05 a.m.