

STATE INNOVATION WAIVER TASK FORCE

Meeting 4

Minutes

Date: Thursday, November 13, 2014
Time: 9:00am
Place: Hawaii State Capitol, Room 325
415 South Beretania Street
Honolulu, HI 96813

Attendance:

State Innovation Waiver Task Force Members - Present

Beth Giesting, Chair, Governor's Office
Kenny Fink, MedQUEST/DHS
Lorrin Kim, DOH
Edward Wang, DLIR
Daniel Jacob, Office of the Attorney General
Sandra Yahiro, EUTF
Eric Alborg, Hawaii Health Connector
Robert Hirokawa, HPCA
Jennifer Diesman, HMSA
Paula Yoshioka, Queen's Health System

State Innovation Waiver Task Force Members - Absent

Joan Danieleley, Kaiser Permanente
Gordon Ito, Insurance Commissioner
Keone Kali, State CIO
Sherry Menor-McNamara, Chamber of Commerce of Hawaii
Roger Morey, Hawaii Restaurant Association
Christine Sakuda, Hawaii HIE
Rachael Wong, HAH

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.

Connector PIG Report

Eric Alborg reported for the Connector PIG that, at its last meeting, the Hawaii Health Connector board reviewed financials for FY 2014 (year end June 2014) and the budget for 2015. Risk mitigation strategies for the next open enrollment were discussed and the proposed contents of the Connector's legislative report for this year were identified.

Creation of Permitted Interaction Group

No PIGs were created.

Review of minutes of October 30, 2014

Members Hirokawa moved and Yoshioka seconded approval of minutes as amended. There was no public comment.

Premium Rating Option PIG Report

Chair Giesting summarized the PIG report from October 30th, noting that, prior to the ACA, premium rating was community-adjusted for loss (experience). ACA-compliant premiums for the individual and small group markets are largely a choice between community rating and age rating. Tobacco use is a modifier. While there are pros and cons to either age or community rating strategies, age banding results in premiums that are most similar to experience ratings in effect prior to the ACA that are used in “grandmothered” plans. Large businesses are not subject to ACA-compliant premium rating rules unless they purchase insurance through the insurance exchange. States may NOT waive these premium rating requirements. There was no public comment. Members Yoshioka made and Wang seconded a motion to accept the PIG’s findings, include them in the report to the legislature, and terminate the PIG, which was approved unanimously.

IT Collaboration PIG Report

Chair Giesting summarized the PIG report, identifying potential collaboration for IT, per Act 158:

- KOLEA, Connector, EUTF: eligibility, enrollment, plan and payment management
- HHIE, Hawaii Health Data Center: transmit clinical information, report to providers, report aggregated information to INS, HHC, EUTF, MQD, use information for innovation
- SERFF PM: support PHCA management at DLIR, share plan information with HHC

Each system has its own agency and/or funder regulations and requirements, that sharing requires a payment allocation among users, and, finally, that data governance and system “ownership” would need to be worked out. The PIG recommended that OIMT take the lead in creating a master plan for collaborative health IT. There was no public comment. Members Hirokawa made and Diesman seconded a motion to accept the PIG’s findings, include them in the report to the legislature, and terminate the PIG, which was approved unanimously.

Resource Allocation for Health Reform and Innovation PIG Report

Chair Giesting summarized the PIG report that noted possible resources to support innovation such as service delivery, care coordination, workforce, HIT, payment reform, policy, and healthy communities. Resources for this might include Medicaid State Plan Amendments and EUTF and Medicaid contractual requirements as well as commercial insurers. Member Yahiro noted that any reference to EUTF should include the caveat that EUTF has not had an opportunity to explore the concepts identified here and so has not agreed or committed to any of them. Member Diesman recommended that the innovation agenda be managed by the Hawaii Healthcare Project with support from the pending State Innovation Models grant and that, for the future, the task force focus attention on ACA issues related to the insurance marketplace. There was no public comment. Members Fink made and Yoshioka seconded a motion to include in the report to the legislature clarification of waiver and non-waiver issues and further recommended that responsibility for non-waiver innovation be transferred to the Hawaii Healthcare Project.

Resources for Innovation Waiver PIG Report

Chair Giesting summarized the PIG report that called for resources to support:

- Staff: full-time project manager plus part-time healthcare transformation coordinator and part-time administrative assistant
- Consultants: subject matter expert(s), actuary, waiver developer, communications)
- Travel: at least two trips to each neighbor island
- Other: public notice publication, ordinary office expenses

The PIG also noted that the total will depend on the complexity and length of time required to complete the development of a waiver. There was no public comment. Members Alborg made and Diesman seconded a motion to accept the PIG’s findings and recommendations, include them in the report to the legislature, and terminate the PIG. [Additional discussion about the proposed budget took place later in the meeting.]

Metrics PIG Report

Chair Giesting summarized the PIG report, noting that the National Association of Insurance Commissioners (NAIC) identified at least the following information needed for a waiver:

- Income, health care expenses and current insurance status of relevant state population
- Number of employers by number of employees and whether employer offers insurance

The PIG added the following elements:

- Number/percentage of residents with and without insurance
- Demographic characteristics and reasons for not being insured
- Trends in commercial insurance: numbers, costs, employers, dependents, benefits
- Trends in the individual market: numbers costs, dependents, benefits
- Trends in Medicaid enrollment: numbers, costs
- Stability of coverage over time
- Demographics of APTC population
- Number of people who applied for individual coverage but didn't enroll
- IT and system support costs: HHC, KOLEA, insurers

Member of the public, Joy Soares, reminded the task force that the data PIG was originally formed to help identify the ACA-related issues that could be improved upon via a waiver proposal. Member Hirokawa noted that there may be cost involved for data purchase or identification. Member Fink said that the long list of potential data may be reduced for immediate needs, focusing on what's needed to evaluate the waiver. Member Diesman pointed out that, while the PIG should be dismissed now, another may need to be formed around future needs on this topic. Members Hirokawa made and Yoshioka seconded a motion to accept the PIG's findings and recommendations, include them in the report to the legislature, and terminate the PIG.

Report to the Legislature

Chair Giesting and the task force discussed the proposed contents of the report to the legislature, which included:

- Requirements of the Act
- Waiver options and requirements
- Task force membership
- Summary of meetings
- Findings and recommendations
 - Foundational assumptions
 - Timeline and implications
 - Waiver resources
 - Metrics
 - Premium rating options
 - Collaborative IT
 - Innovation resources
- Proposed legislation and appropriation

Discussion:

Member Fink: Provide more detail about provisions that may be waived and state in our report that we have no recommendations at this time.

Member Diesman: Recommend that the task force, going forward, focus only on ACA waiver issues and dispense with non-ACA waiver issues required by Act 158.

Member Yahiro: Edit item in draft (page 6) to read, "That means that the ACA waiver can focus on insurance and marketplace changes while, on a parallel track, innovation proceeds via Medicaid plan amendments and other possible collaborations with agencies such as DHS, Medicaid, and EUTF, as well as legislation and/or other

means. Additionally, it should be noted that the various agencies have not committed to involvement or collaboration in this innovation agenda as discussions and research are in their infancy.”

Member Alborg: The report should include timeline options and budget.

Member Diesman: The report should recommend that further discussion about innovation resources be the responsibility of the Hawaii Healthcare Project and no longer a concern of the waiver task force.

Member Diesman: The report should include a recommendation that the legislature draft a short-form bill to accommodate waiver decisions and be prepared to hold public hearings during the 2015 session.

Member Fink: The report should not only recommend a follow-up study to assess the impacts of any waiver but explain that this will be required by the ACA.

Member Diesman: Next steps in the report, again, should emphasize that the task force’s future work should be confined to issues related to developing a waiver.

The process for amending the report draft agreed to is that Chair Giesting will distribute an updated draft to members, also posting it on-line. Members of the task force and public will be asked to submit amendments to the Chair by November 20, 2014. Chair will post a second version by November 26, 2014. Additional revisions may be sent to Member Daniel after December 1st. If there is not unanimous agreement with the report at the December 11, 2014 task force meeting, dissenters will be invited to submit a minority report to accompany the majority report.

Proposed budget

Chair Giesting identified the following budget details:

- Personnel: Total proposed was \$299,000 for FY 16-17 to cover 1 FTE project manager, .25 FTE Healthcare Transformation Coordinator, and .25 FTE Administrative Assistant. Member Fink recommended adding a position to serve as procurement specialist. Member Yahiro identified the need to add the state fringe percentage to the total. [Chair Giesting subsequently confirmed with B & F that it isn’t necessary to add fringe if the positions are funded by general funds.]
- Consultants: Total proposed was \$685,000 for FY 16-17 to cover actuarial services, a consultant to develop the waiver, and a communications consultant.
- Neighbor island travel: Members recommended that the budget include two trips per neighbor island venue for two travelers.
- Other: The “other” category accounted for telephone, office supplies, printing, and public notices.

Discussion about the budget included recommendations to include it in the report and to identify the cost savings, or return on investment, for doing the waiver, and discuss the ways it supports universal coverage and the Prepaid Health Care Act. There was no public comment.

Proposed legislation

Chair Giesting shared a draft bill, to which members suggested improvements including ensuring that the appropriation section is properly drafted and that the budgetary request be included in the Governor’s budget, if at all possible.

Adjournment

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