



ACA State Innovation Waiver Task Force

May 14, 2015

9:00 a.m.

DCCA, Queen Liliuokalani Hearing Room



CALL TO ORDER/ROLL CALL

Roll Call

Beth Giesting, Healthcare Trans. Coord., Chair

Bryan FitzGerald, OIMT/State CIO

Lorrin Kim, Dept. of Health

Royden Koito, Dept. of Labor & Ind. Relations

Patti Bazin, MedQUEST

Gordon Ito, Insurance Commissioner

Daniel Jacob, Office of the AG

Sandra Yahiro, EUTF

Jeff Kissel, Hawaii Health Connector

Christine Sakuda, HI Health Info. Exch.

Sherry Menor-McNamara, Chamber of Commerce of Hawaii

Paul Young, Healthcare Assoc. of HI

Robert Hirokawa, HPCA

Joan Danieleley, Senate Health Care Appointee

Jennifer Diesman, HMSA

Paula Yoshioka, Queen's Health System

David Hong, House Appointee for Small Business

PUBLIC COMMENT

Reminder: all materials available at

<http://governor.hawaii.gov/reports/healthcare-transformation/>

MINUTES

Minutes of April 9, 2015

Public Comment

Task Force Action

Proposed motion: Accept minutes of 4/9/15 as circulated/as amended

CREATION OF PERMITTED INTERACTION GROUPS

Proposed motion: TF authorizes Hawaii Health Connector PIG to attend HHC board and committee meetings and report back on any issues pertinent to this TF.

Members: **Kissel, Koito, Sakuda**

Proposed motion: TF authorizes Waiver/Modification PIG to identify next steps needed to develop waiver and report back to this TF.

Members: **Danieley, Diesman, FitzGerald, Giesting, Hirokawa, Ito, Jacob, Kissel, Koito, Young**

Public Comment

STATE, FEDERAL LEGISLATIVE UPDATES

ACA and Waiver Updates and Issues

Task Force Discussion

Public Comment

PERMITTED INTERACTION GROUP REPORTS

Sunshine law requirements

- **Meeting 1: Report is delivered. TF may ask clarifying questions.**
- **Meeting 2: TF may discuss report in detail.**
- **Meeting 3: TF may vote on recommendations or actions proposed in report.**

PERMITTED INTERACTION GROUP REPORT

Decision Making on Waiver/Modification PIG Report (presented 2/26/15)

PIG Purpose: Explore ACA sections to waive or modify

Members: Danieleley, Diesman, FitzGerald, Giesting, Hirokawa, Ito, Jacob, Kissel, Young

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver/Modification PIG: TF Recommendations

Health Insurance Exchange: TF recommendations, Sections 1311/1312

SHOP Exchange

Waive ACA SHOP requirements; retain PHCA requirements for small businesses.

Agree/Disagree

Proposed motion: TF approves the foregoing recommendation.

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver/Modification PIG: TF Recommendations

Health Insurance Exchange: TF recommendations, Sections 1311/1312

SHOP Exchange

- Enhance small business insurance purchasing with robust, dynamic website that allows small businesses to enter employee data, select best plan. The site can operate as an anonymous browser to provide comparative rates even if employee information is not entered.
- Employer completes enrollment with broker or insurer.
- Health plans complete enrollment, billing, and reporting.

Agree/Disagree

Proposed motion: TF approves the foregoing recommendation.

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver/Modification PIG: TF Recommendations

Health Insurance Exchange: TF recommendations, Sections 1311/1312

SHOP Exchange

The option for “Supported State-Based Marketplace” that uses FFM platform for SHOP enrollment should be avoided if possible.

Agree/Disagree

Proposed motion: TF approves the foregoing recommendation.

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver/Modification PIG: TF Recommendations

Premium Tax Credits & Cost Sharing: TF recommendations, Sections 1402/36B

Retain APTC and CSR that make insurance affordable for individuals

Agree/Disagree

The state should negotiate to have the maximum tax credits returned to the state as part of any waivers sought.

Agree/Disagree

Proposed motion: TF approves the foregoing recommendations.

PERMITTED INTERACTION GROUP REPORT

PIG Report – Tax Credit Methodology PIG: Presentation

Purpose: Identify and use information appropriate to calculate potential tax credits

Members: Danieleley, Diesman, Giesting, Ito, Jacob, Kissel, Koito

TF Clarifying Questions

Public Comment

PERMITTED INTERACTION GROUP REPORT

PIG Report – Tax Credit Methodology PIG: Presentation

- **Small Business Tax Credit effective 2010**
- **2010-2014: Maximum credit 35% of premiums (for-profit)/25% (nonprofit)**
- **2014: Maximum credits 50%/35% but must use Ins. Marketplace**
- **Eligible employers have < 25 employees with ave. wage < \$50,000**
- **The smaller the business/lower the wages the higher the credit**
- **Tax credits available for 2 years for each employer**

PERMITTED INTERACTION GROUP REPORT

PIG Report – Tax Credit Methodology PIG: Presentation

PIG looked at 3 data sources:

- **Lewin Group for Families USA & Small Business Majority (2012)**
- **Oliver Wyman Study for Insurance Division (2012)**
- **DLIR employer data (current)**

PERMITTED INTERACTION GROUP REPORT

PIG Report – Tax Credit Methodology PIG: Presentation

DLIR data showed

Small Businesses: 1 – 25 Employees	Very Small Businesses: 1 – 10 Employees
27,797 Employers	24,494 Employers
118,726 Employees	65,711 Employees

PERMITTED INTERACTION GROUP REPORT

PIG Report – Tax Credit Methodology PIG: Presentation

PIG assumptions:

- Premium \$350 PMPM / \$4,200 PY
- Average maximum tax credit 50%

Weighted formula (# employees/wages) x estimated tax credits

PERMITTED INTERACTION GROUP REPORT

PIG Report – Tax Credit Methodology PIG: Presentation

Findings:

- Market-wide value of tax credits 2010 - 2014 = \$91.5 million
- Estimated year-to-year utilization of credits = 5 - 15%
- Estimated year-to-year value of credits = \$4.5 - \$13.7 million
- Estimated five year (waiver period) cumulative credits = \$30 million

Possible purposes (the rationales for which are related to the ACA):

- State Premium Supplementation Program
- Invest in under-funded health care innovation (Innovation Prog., HIT & HHIE, Data Ctr., Workforce Ctr.)

PERMITTED INTERACTION GROUP REPORT

PIG Report – Tax Credit Methodology PIG: Presentation

TF Clarifying Questions

Public Comment

PERMITTED INTERACTION GROUP REPORT

PIG Report – Hawaii Health Connector

Purpose: Attend HHC board and committee meetings and report back on any issues pertinent to this TF

Members: Kissel, Koito, Sakuda

Public Comment

NEXT MEETING

June 25, 2015

9:00 a.m.

Meeting venue: State Office Tower, Room 204



ADJOURNMENT