

STATE INNOVATION WAIVER TASK FORCE
MINUTES

Date Monday, September 28, 2015
Time 9:30 a.m.
Place DCCA, Queen Liliuokalani Meeting Room
335 Merchant St., Honolulu, HI 96813

Attendance

State Innovation Waiver Task Force Members - Present

Beth Giesting, Chair, Governor's Office
Jennifer Diesman, HMSA
Bryan FitzGerald, OIMT
Daniel Jacob, Office of the Attorney General
Royden Koito, DLIR
Derek Mizuno, EUTF
Carole Richelieu, Insurance Division
Christine Sakuda, Hawaii HIE
Leslie Tawata, MedQUEST
Paul Young, HAH

State Innovation Waiver Task Force Members - Absent

Pono Chong, Chamber of Commerce of Hawaii
Joan Danieleley, Senate Health Care Appointee
Robert Hirokawa, HPCA
David Hong, House Small Business Appointee
Lorrin Kim, DOH
Jeff Kissel, Hawaii Health Connector
Paula Yoshioka, Queen's Health System

Members of public who spoke

Laurel Johnston
Jacce Mikulanec

Call to order

The meeting was called to order and roll taken by Chair Giesting at 9:30 a.m.

Public Comment

There was no opening public comment.

Review of minutes of August 6, 2015

There was no public comment. Members Koito moved and Mizuno seconded a motion to approve the minutes of August 6, 2015 as circulated. The motion was unanimously approved.

Creation of Permitted Interaction Groups

Members Diesman moved and Young seconded a motion to authorize a PIG to identify and contribute information and materials needed to develop a waiver and to report back to the task force. Members are Chong, Danieleley, Diesman, FitzGerald, Giesting, Hirokawa, Jacob, Koito, Richelieu, and Young. There was no public comment and the motion was unanimously approved.

ACA Waiver Federal and Legislative Updates

There were no updates or public comment.

ACA Waiver Development Next Steps PIG report.

The following PIG discussion was pursuant to the request to reconsider the EHB decision presented at the August 6, 2015 meeting:

Three benefit categories are required for ACA Qualified Health plans that have not heretofore been included in Prepaid, namely: Prescription drug coverage, habilitative services, and children's dental and vision. Habilitative services have been addressed and there's little cost associated with children's dental and vision. Prescription drug, being a more costly benefit, may be problematic to the extent it is included as a medical benefit for which the employer, in

accordance with Prepaid, pays the vast majority of the cost (employees may only be asked to pay up to 1.5% of wages for premiums). The concern is that the imposition of a prescription drug benefit, which is currently optional in Prepaid but mandatory in ACA, may tip the balance and eventually become part of the prevalent plan. If that were to occur, the fear was expressed that employers would start to rally against Prepaid. Discussion included the following points:

- Can prescription drug benefits be required but not “bundled” with the overall medical premium, hence being identifiable for a different cost-share between employee and employer?
- Would adding prescription drug benefits bring Hawaii employers close to the threshold for the “Cadillac Tax”?
- What will be the effect of the “maximum out of pocket” cut-off with a bundled benefit package?
- Could a law be passed to “unbundle” the drug benefit? Would a waiver be required?
- What would be the effect on medical costs and employee well-being if prescription drugs were not covered and people who need them were unable to purchase them? Presumably, the lack of access to prescriptions would be harmful and could result in increased hospitalizations and emergency room visits.
- Would either HHS or the Legislature agree with waiving this benefit?
- Discussions with HHS have not yet taken place.
- Prepaid benefits, even without prescription drug coverage, are actuarially better than the ACA requires.

The task force recommends discussing the several dimensions of this issue with as many legislators as possible to ensure that they understand the implications for future waiver legislation.

In answer to a question about the role of the task force and legislation, the task force will share its recommendations with the Governor’s Office, which will draft a bill to be included in the Governor’s package.

Member Diesman volunteered to see if a study of the insurance coverage and economic effects of the ACA that was commissioned by HMSA and Kaiser in 2014 could be updated and shared with the task force.

Public Hearings

Chair Giesting reported that public hearings covering three proposal - ACA Waiver, State Innovation Model, and the No Wrong Door - have been completed in five venues with 128 people participating. Only twelve of the 128 participated in the ACA Waiver Proposal break-out. Hearings are scheduled for Lanai and Molokai to be completed by Oct. 2nd.

She also highlighted some comments, which included:

- Consumer support for prescription drug benefit
- Concern about prescription drug benefits being mandated
- Question about whether “habilitative” and “prevention” benefits in Hawaii meet ACA requirements
- Strong support for children’s dental benefits
- Concern about employer compliance with Prepaid
- Questions about Supported State-Based Marketplace
- Displeasure about the amount of money spent on the Connector

Adjournment

The meeting was adjourned at 10:50 a.m.