

STATE INNOVATION WAIVER TASK FORCE MINUTES

Date Thursday, November 19, 2015
Time 2:00 p.m.
Place DCCA, King Kalakaua Conference Room
335 Merchant St., Honolulu, HI 96813

Attendance

Task Force Members - Present

Beth Giesting, Chair, Governor's Office
Jennifer Diesman, HMSA
Bryan FitzGerald, OIMT
Robert Hirokawa, HPCA
David Hong, House Small Business
Appointee
Daniel Jacob, Office of the Attorney
General
Royden Koito, DLIR
Carole Richelieu, Insurance Division
Christine Sakuda, Hawaii HIE
Leslie Tawata, MedQUEST
Paula Yoshioka, Queen's Health System
Paul Young, HAH

Task Force Members - Absent

Pono Chong, Chamber of Commerce of
Hawaii
Lorrin Kim, DOH
Jeff Kissel, Hawaii Health Connector
Derek Mizuno, EUTF

Call to order

The meeting was called to order and roll taken by Chair Giesting at 2:02 p.m. She announced that member Joan Danieleley has resigned from the task force and that Sen. Baker has been alerted to our request for a replacement.

Public Comment

There was no opening public comment.

Review of minutes of September 28, 2015

There was no public comment. Members Richelieu moved and Yoshioka seconded a motion to approve the minutes of September 28, 2015 as circulated. The motion was unanimously approved.

Creation of "Next Steps" Permitted Interaction Groups

Members Richelieu moved and FitzGerald 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, 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 “Next Steps” PIG report.

Legislation. Chair Giesting reported that the Governor’s office plans to submit a bill to authorize a waiver, and noted that a separate bill is expected to be introduced by legislators addressing the decommissioning of the Hawai’i Health Connector.

Small Business Tax Credit. Chair Giesting reported that the PIG revisited the idea of waiving the small business tax credit, and laid out presumed pros and cons for keeping the tax credit as it is or waiving it and requesting federal funds in lieu of the tax credit to be administered through the Prepaid Premium Supplementation Fund. Presumed benefits of the waiver included the ability to fund the Prepaid Premium Program and that a state-administered fund might be used by more small businesses. The possible disadvantages include the differences in eligibility between the Prepaid fund and the ACA tax credit and the additional complexity added to Hawaii’s waiver proposal. Whether either scenario would be a benefit or disadvantage to DLIR for administration and reporting was undetermined. Clarifying questions and comments included:

- What is likely to be the extra burden to DLIR in either scenario? For insurers? For employers?
- Since eligibility for the Prepaid fund is different from the ACA tax credit, would a new non-Prepaid fund be created?
- Although small business tax credit up-take has been limited to-date, might that change in future as grandmothers plans are phased out, and what would be the implications for our tax credit waiver proposal?
- A methodology is being developed for small business tax credits for 2016; would the state want to change it yet again in 2017?
- Can the tax credit waiver proposal be separable from the rest of the waiver to allow flexibility for Hawai’i to accept either option?

Updates. Chair Giesting announced that public hearings were completed in seven venues on six islands. The hearings were part of a three-part community effort that also addressed the State Innovation Models plan and the No Wrong Door plan. In total, 163 people attended, although interest in and discussion of the waiver were limited.

Member Richelieu reported that the federal PACE Act had been signed into law. It allows states to define small and large businesses as Hawai’i currently does: those with up to fifty employees are small and those with fifty-one or more are large. The state will not have to ask for a waiver of this provision.

Report to Legislature

Chair Giesting requested that members send any proposed edits to the draft report to the legislature to her by email (beth.giesting@hawaii.gov). She will incorporate any changes and recirculate to the members before submitting the final report in December.

Next Meeting

The group agreed to meet next on Wednesday, December 2nd at 2:00 p.m., place TBD.

Adjournment

There was no concluding public comment and the meeting was adjourned at 3:10 p.m.