

STATE INNOVATION WAIVER TASK FORCE

Meeting 3
Draft Minutes

AGENDA

Date: Thursday, October 30, 2014
Time: 9:00am
Place: Hawaii State Capitol, Room 016
415 South Beretania Street
Honolulu, HI 96813

Attendance:

State Innovation Waiver Task Force Members - Present

Beth Giesting, Chair, Governor's Office
Kenny Fink, DHS
Gordon Ito, Insurance Commissioner
Lorrin Kim, DOH
Edward Wang, DLIR
Daniel Jacob, Office of the Attorney General
Sandra Yahiro, EUTF
Eric Alborg, Hawaii Health Connector
Christine Sakuda, Hawaii HIE
Robert Hirokawa, HPCA
Rachael Wong, HAH
Sherry Menor-McNamara, Chamber of Commerce of Hawaii
Jennifer Diesman, HMSA
Paula Yoshioka, Queen's Health System
Roger Morey, Hawaii Restaurant Association

State Innovation Waiver Task Force Members - Absent

Keone Kali, State CIO
Joan Danieleley, Kaiser Permanente

Call to order:

The meeting was called to order by Chair Giesting at 9:05 a.m. Chair Giesting welcomed the group and noted Eric Alborg, the new designee attending for the Hawaii Health Connector.

Creation of Permitted Interaction Group

Members Morey moved and Yoshioka seconded the creation of a PIG whose members are Fink, Kali, Menor-McNamara, Wang, Giesting, Alborg, and Sakuda to attend Hawaii Health Connector board meetings until further notice, and that a member of the PIG shall report back to the task force on relevant HHC actions at each subsequent meeting on behalf of the PIG.

Review of minutes of October 9, 2014:

Members Diesman moved and Wang seconded approval of minutes as amended. No public comment.

Premium Rating Option PIG Report

Member Ito reported. PIG members who attended meetings: Ito, Danieleley, Diesman, Giesting, Jacob, Morey, Wang. Pre-ACA premium rating was community adjusted for loss (experience). ACA-compliant premiums (for individual and small group market) 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 and 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.

IT Collaboration PIG Report

Chair Giesting reported. PIG members who attended meeting: Giesting, Jacob, Ito, Kissel, Matsuda. The PIG identified the following public and private sector IT systems:

- SERFF PM (Ins. Division). Manages insurance plan information.
- KOLEA. Manages eligibility for MedQUEST.
- Connector. Managed eligibility and enrollment for individuals and SHOP
- EUTF – VITECH manages enrollment
- HHIE – Develops/maintains infrastructure to link clinical data
- APCD – “All payer claims database” to analyze utilization, cost

As required in Act 158, the PIG identified areas of potential collaboration:

- KOLEA, Connector, EUTF: eligibility, enrollment, plan and payment management
- HHIE, APCD: 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

The PIG acknowledged that 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.

Resource Allocation for Health Reform and Innovation PIG Report

Member Diesman reported. PIG members who attended meeting: Alborg, Diesman, Giesting, Hirokawa, Jacob, Kim. The PIG agreed that, if granted, the pending proposal for federal funds to create a State Innovation Model is the best vehicle for bringing stakeholders together to plan for structure and resources for on-going health innovation. Further, there are many possible aspects of health care innovation so the group must prioritize goals and strategies. Noted resources that would support innovation strategies include insurer fees, Medicaid SPAs, and Medicaid and EUTF purchasing policies.

Resources for Innovation Waiver PIG Report

Chair Giesting reported. PIG members who attended meeting: Alborg, Fink, Giesting, Jacob, David Sakamoto. The PIG identified the following expenses to be budgeted:

- 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.

Metrics PIG Report

Chair Giesting reported. PIG members who attended meeting: Alborg, Diesman, Giesting, Jacob, Kali, Nani Medeiros, David Sakamoto. The National Association of Insurance Commissioners identifies at least the following information needed for a waiver:

- Income, health 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

Some of the data to be collected is straight-forward and easily available. Others, especially demographic information by sub-population, is not part of current data systems so will need more thoughtful strategies to collect for baseline and on-going needs.

Waiver Timelines

Chair Giesting shared three possible timeline scenarios with members. She noted that the assumptions for all timelines included:

- Proper procurement for an actuary and other consultants takes at least 90 days
- Required public notice and commentary takes at least 90 days
- Federal preliminary review takes at least 45 days
- Federal determination process takes at least 180 days

(See PPT for Meeting 3 for more details).

In each scenario, Giesting recommended that the legislature require a post-waiver review and report.

Scenario 1. Implement by January 1, 2017. If this is our goal, Giesting suggested that conditions that must be met include:

1. Staff are available to continue the process (currently no funds post-12/2014)
2. Early, strong agreement on waiver direction
3. Waiver elements must be easily quantifiable
4. No other waivers (Medicaid, Medicare, CHIP) are included
5. Legislature passes authorizing legislation in 2015
6. Legislature provides resources for staff, actuary, waiver development, community meetings
7. Legislature conducts public hearings during the 2015 session

Scenario 2. Implement by September, 2017. If elements of a waiver are more complex, requirements will dictate a later implementation date. Giesting suggested that conditions that must be met include:

1. Staff are available to continue the process (currently no funds post-12/2014)
2. No other waivers (Medicaid, Medicare, CHIP) are included
3. Legislature provides resources for staff, actuary, waiver development, community meetings in 2015
4. Legislature passes authorizing legislation in 2016

Scenario 3. Implement 2018 or later. If developing a comprehensive and complex waiver, the process is likely to take much longer. It must also be recognized that procurement, public input, and other aspects of the process are likely to take more time than the minimum.

1. Staff are available to continue the process (currently no funds post-12/2014)
2. No other waivers (Medicaid, Medicare, CHIP) are included
3. Legislature provides resources for staff, actuary, waiver development, community meetings in 2015

4. Legislature passes authorizing legislation in 2016

Discussion. Some elements of the process and timeline highlighted included:

- Diesman: it isn't practical to implement a waiver on any date other than January 1st because of insurance cycles.
- Fink: be aware of public reporting/input processes as required by the Act and federal law. Could be more complex and time-consuming than assumed in timeline.
- Public comment (Rep. Belatti): there's no federal timeline/requirement associated with January 1st other than that's the *earliest* a waiver can be implemented. Rep. Belatti also asked about the process - past and possibly future - to designate the "essential health benefits" under the ACA. She noted that legislators may entertain proposals to add benefits and, if they do, what impact it would have on insurance rates.

Report to Legislature

Chair Giesting reviewed the proposed contents of the report to the legislature, reminding the TF that she plans to complete the report by the end of November, in the event that staff are not available to work on this after 11/30/14. Proposed report contents are:

- Membership
- Summary of meetings (agendas, minutes, materials, other)
- Agreements on basic assumptions
- Collaborative IT - possibilities
- Premium rating - not waivable
- Allocation of resources for innovation - recommendations
- Resources for waiver development – recommendations
- Metrics – recommendations

Discussion. Member Wong recommended that the report clearly identify the goals and focus of the taskforce. Member Sakuda noted that the report should be specific about recommendations for a waiver vs. non-waiver requirements of Act 158.

Adjournment

Member Wong moved that the meeting be adjourned at 10:26 am.