



**ACA State Innovation Waiver Task Force**

December 2, 2015

2:00 p.m.

Capitol, Room 329



# 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

Leslie Tawata, MedQUEST Division

Carole Richelieu, Insurance Division

Daniel Jacob, Office of the AG

Derek Mizuno, EUTF

Eric Alborg, Hawaii Health Connector

Christine Sakuda, HI Health Info. Exch.

Pono Chong, Chamber of Commerce of Hawaii

Paul Young, Healthcare Assoc. of Hawaii

Robert Hirokawa, Hawaii Primary Care Assoc.

\_\_\_\_\_, 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 November 19, 2015

Proposed motion: Accept minutes of 11/19/15 as circulated/as amended

**Public Comment**

**Task Force Vote**

# CREATION OF PERMITTED INTERACTION GROUPS

Proposed motion: TF authorizes Waiver/Modification “Next Steps” PIG to identify and contribute information and materials needed to develop waiver and report back to this TF.

Members: **Chong, Diesman, FitzGerald, Giesting, Jacob, Koito, Richelieu, Young**

**Public Comment**

**Task Force Vote**

# STATE, FEDERAL LEGISLATIVE UPDATES

## ACA and Waiver Updates and Issues

### Public Comment

# TASK FORCE RECONSIDERATION

## **Ratifying or rescinding TF decision to retain Prescription Drugs/all 10 EHB**

### **Previous discussion (Sept. 28, 2015):**

- **Bundled vs unbundled**
- **“Cadillac tax” jeopardy**
- **MOOP concerns**
- **Consumers support Rx**
- **Legislators likely support Rx**
- **Most small businesses currently provide and pay**
- **Growing cost of health care threatens Prepaid**
- **As EHB, is mandate for individuals**
- **As “option” is outside Prepaid but if mandated as EHB must be paid by employer**
- **Argument can be made for actuarial value of Prepaid benefits**
- **DHHS opinion unknown**

# TASK FORCE RECONSIDERATION

## Ratifying or rescinding TF decision to retain all 10 EHB, esp. Prescription Drugs

Pros for Keeping Rx Benefit	Cons for Keeping Rx Benefit
<ul style="list-style-type: none"><li>• Health care dependence on prescription drugs:<ul style="list-style-type: none"><li>• Good public policy mandates coverage</li><li>• Exclusion means inadequate coverage</li></ul></li><li>• Public hearing input (limited) supports Rx benefits</li><li>• Legislators and HHS expected to support</li><li>• Eliminating currently available benefit unpopular</li></ul>	<ul style="list-style-type: none"><li>• If mandated for small business then Prepaid requires small employers to pay</li><li>• Cost trend for Rx may result in backlash against Prepaid</li><li>• Risk of “Cadillac Tax” penalties</li></ul>

[PIG recommends revisiting previous decision](#)



# TASK FORCE RECONSIDERATION

**Ratifying or changing TF decision to retain all 10 EHB, esp. Prescription Drugs**

Proposed Motion: [*Ratify or Rescind*] decision to retain prescription drug coverage as an Essential Health Benefit

**Public comment**

**Task Force Vote**

# PERMITTED INTERACTION GROUP REPORT

## PIG Report – Waiver/Modification “Next Steps”

- a. Small Business Tax Credit. Should TF rescind decision to waive small business tax credit with in-state administration? Alternative is to maintain processing by IRS.

Pros: Waiving/Processing In-State	Cons: Waiving/Processing In-State
<ul style="list-style-type: none"><li>• Will fund depleted Prem. Supplementation program at DLIR</li><li>• Potentially more up-take on tax credit by local businesses</li></ul>	<ul style="list-style-type: none"><li>• Eligibility for tax credits isn't the same for ACA as it is for Prepaid</li><li>• May establish a new state obligation to provide credits even if federal funds are insufficient</li><li>• Making the case to HHS and IRS will complicate waiver proposal and actuarial/economic analysis</li><li>• Increases DLIR responsibilities to administer and report</li></ul>

# PERMITTED INTERACTION GROUP REPORT

## **PIG Report – Waiver/Modification “Next Steps”**

**PIG recommendation: Keep responsibility for processing tax credit at IRS.**

- **Ins Div qualifies and DLIR certifies QHPs**
- **Any insurer can offer small business QHPs - businesses have more options**
- **Small employers maintain opportunities as available in ACA**

**Public Comment**

**Task Force Vote Next Meeting**

# PERMITTED INTERACTION GROUP REPORT

## **PIG Report – Waiver/Modification “Next Steps”**

### **b. Proposed legislation**

**Public Comment**

**Task Force Vote Next Meeting**

# DRAFT REPORT TO LEGISLATURE

**Member comments on draft**

**Expected submission to Legislature by mid-December**

**Public Comment**

# NEXT MEETING

2:00 Wednesday, December 9<sup>th</sup>?



# ADJOURNMENT