



ACA State Innovation Waiver Task Force

June 25, 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

Leslie Tawata, MedQUEST Division

Gordon Ito, Insurance Commissioner

Daniel Jacob, Office of the AG

Derek Mizuno, 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 Hawaii

Robert Hirokawa, Hawaii Primary Care Assoc

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 May 14, 2015

Public Comment

Task Force Action

Proposed motion: Accept minutes of 5/14/15 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 “Next Steps” PIG to identify action 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

- ❖ Update on moving to Supported State-Based Marketplace (SSBM)
 - Consolidates applications at www.healthcare.gov
 - Maintains access to affordable coverage for individuals (surcharge for individual coverage on the federal exchange is 3.5%)
 - State manages plans to advance public policy goals
 - State still has responsibility for promoting/facilitating enrollment

STATE, FEDERAL LEGISLATIVE UPDATES

Responsibilities	Federal Responsibility	State Responsibility
Marketplace Technology	X	
Governance		X
Qualified Plan Management		X
Qualified Plan Certification		X
Coordination of Consumer Assistance Entities		X
Carrier Assessment Fees		X
Call Center	Federal-State Partnership	
Agent/Broker Outreach & Relationship Management		X
Agent/Broker Training and Certification	X	
Stakeholder Consultation		X
Consumer Grievances	Federal-State Partnership	
Eligibility Appeals	X	
Carrier Grievances		X

STATE, FEDERAL LEGISLATIVE UPDATES

ACA and Waiver Updates and Issues

- ❖ SHOP Exchange – Direct Enrollment OK
- ❖ Transition plan pending federal approval

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

Tax Credit Methodology PIG: Discussion of May 14th Report

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

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

PERMITTED INTERACTION GROUP REPORT

Tax Credit Methodology PIG: Background

- **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

Tax Credit Methodology PIG: 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

Tax Credit Methodology PIG: 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

Tax Credit Methodology PIG: PIG assumptions:

- Premium \$350 PMPM / \$4,200 PY
- 5,698 employers qualify for maximum credit
- 11,236 employers qualify for partial credit
- Average maximum tax credit 50%

PERMITTED INTERACTION GROUP REPORT

Tax Credit Methodology PIG: Estimates using weighted average formula:

- **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**

PERMITTED INTERACTION GROUP REPORT

Tax Credit Methodology PIG: Possible purposes:

- **State Premium Supplementation Program**
- **Parts of health care innovation (Innovation Prog., HIT & HHIE, Data Ctr., Workforce Ctr.)**
- **Defray state costs to supplement COFA coverage**
- **Pay for robust “shop and compare” website**

PERMITTED INTERACTION GROUP REPORT

Tax Credit Methodology PIG:

Further TF Discussion

Public Comment

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver/Modification “Next Steps”

Purpose: Identify next steps needed to develop waiver and report back to this TF.

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

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

- ❖ **Complete recommendations on waiver from TF**
 - Individual – change in direction to SSBM
 - SHOP – “Shop and Compare” not part of waiver request. Ask Chamber of Commerce/business organizations if this would be value-added for small businesses
- ❖ **Draft a report summarizing recommendations**

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

- ❖ **Review ACA Rules and Regs for clarification of waiver requirements**
 - Public hearings
 - Actuarial values related to PHCA plans
 - Other pertinent data that health plans or state agencies have
- ❖ **Review recommendations with key legislators**
- ❖ **Legislative briefing?**

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

TF Clarification 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

Proposed: July 16, 2015

9:00 a.m.

Meeting venue: TBD



ADJOURNMENT