



ACA State Innovation Waiver Task Force

July 16, 2015

2:00 p.m.

State Office Tower, Room 1403



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.

Pono Chong, 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 June 25, 2015

Public Comment

Task Force Action

Proposed motion: Accept minutes of 6/25/15 as circulated/as amended

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, Danieleley, Diesman, FitzGerald, Giesting, Hirokawa, Ito, Jacob, Koito, Young**

Public Comment

STATE, FEDERAL LEGISLATIVE UPDATES

ACA and Waiver Updates and Issues

ACA SIWTF JULY 16, 2015

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: Recommendations on of May 14th Report, June 25th Discussion

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: Proposed purposes:

- **State Premium Supplementation Program (part of Prepaid)**
- **If resources are available, add a new small business tax credit program that parallels ACA (i.e., < 25 employees, average wage < \$50,000, maximum 2 years)**

PERMITTED INTERACTION GROUP REPORT

Tax Credit Methodology PIG:

Public Comment

Decision/recommendations

Proposed motion: Endorse proposed methodology to calculate small business tax credits and recommend any funds provided the state be used for premium relief programs for qualified small businesses.

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

Waivable ACA Section	Hawaii Proposal
<p>§1301 QUALIFIED HEALTH PLAN</p> <ul style="list-style-type: none">• Definition and certification of QHP• Metal levels• Co-ops and multi-state plans• Qualified direct primary care medical home plans• Variation based on rating area• Self-insured and MEWAS (multiple employer welfare arrangements)	<ul style="list-style-type: none">• Retain QHPs and alternate certification process• Retain 4 metal levels for individual market. Define coverage levels as 7A/7B for small business. (SHOP to be waived. Employers subject to Prepaid, which uses 7A and 7B, not metal levels)• Waive co-ops and multi-state plans• Waive variation based on rating area• Recommendation on PCMH plan and self-insured and MEWAS still in the works

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

Waivable ACA Section	Hawaii Proposal
<p>§1302 ESSENTIAL HEALTH BENEFITS</p> <ul style="list-style-type: none">• Definition and establishment of EHB• Limitation on cost-sharing• Limitation on deductibles• Metal levels actuarial value• Catastrophic plans• Enrollment eligibility• Child-only plans	<ul style="list-style-type: none">• Retain EHB• Retain cost-sharing and limitation on deductibles• Retain metal levels and actuarial values for individuals. (In request to waive SHOP benefit levels will be defined as 7A/7B, per Prepaid).• Retain catastrophic plans• Retain enrollment eligibility• Retain child-only plans

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

Waivable ACA Section	Hawaii Proposal
<p>§1303 SPECIAL RULES</p> <ul style="list-style-type: none">• Definition and rules on abortion services	<ul style="list-style-type: none">• Retain special rules

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

Waivable ACA Section	Hawaii Proposal
<p>§1304 DEFINING LARGE AND SMALL EMPLOYERS</p> <ul style="list-style-type: none">• Hawaii currently defines “small” as 50 or fewer• ACA says “small” will be up to 100 January 2016	<ul style="list-style-type: none">• Waive increase to 100 and keep definition of “small employer” as 50 or fewer – <u>BUT</u> only if the increase to 100 has not gone into effect before waiver in January 2017

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

Waivable ACA Section	Hawaii Proposal
<p data-bbox="107 841 947 922">§1311 AFFORDABLE CHOICES OF HEALTH BENEFIT PLANS</p> <ul data-bbox="107 984 894 1114" style="list-style-type: none"><li data-bbox="107 984 730 1019">• Individual health insurance exchange<li data-bbox="107 1029 894 1114">• Small Business Health Options Program (SHOP) exchange	<ul data-bbox="1052 984 1965 1114" style="list-style-type: none"><li data-bbox="1052 984 1965 1065">• Retain individual exchange via Supported State-Based Marketplace<li data-bbox="1052 1075 1310 1110">• Waive SHOP

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

Waivable ACA Section	Hawaii Proposal
<p>§1312 CONSUMER CHOICE</p> <ul style="list-style-type: none">• Qualified employers may allow employees choice among plans in SHOP exchange	<ul style="list-style-type: none">• Waive requirement. (Employers may allow employees choice under Prepaid. Trade-off is that Hawaii small businesses coverage meets a higher standard than required by ACA.)

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

Waivable ACA Section	Hawaii Proposal
<p>§1402/36B REDUCED COST-SHARING FOR INDIVIDUALS ENROLLING IN QUALIFIED HEALTH PLANS</p> <ul style="list-style-type: none">• Defines eligibility and determination of benefits	<ul style="list-style-type: none">• Retain all benefits for individual exchange• Request funds in lieu of small business tax credit. Such funds to be used for premium relief for qualified small businesses.

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

Waivable ACA Section	Hawaii Proposal
<p data-bbox="109 841 898 922">IRS Code §4980H SHARED RESPONSIBILITY FOR EMPLOYERS REGARDING HEALTH COVERAGE</p> <ul data-bbox="109 984 877 1065" style="list-style-type: none">• Defines responsibilities for coverage for large employers	<ul data-bbox="1054 984 1915 1016" style="list-style-type: none">• Waive all sections that are inconsistent with Prepaid

PERMITTED INTERACTION GROUP REPORT

PIG Report – Waiver Next Steps: Presentation

Public Comment

Discussion

DRAFT REPORT TO LEGISLATURE

- **Work in progress**
- **Will be posted as draft to Governor's website**
- **General suggestions?**
- **Email specific suggestions to beth.giesting@Hawaii.gov**

Public Comment

NEXT MEETINGS

Proposed:

July 23, 2015 9:00 a.m. – State Office Tower, 1403

August 6, 2015 2:00 p.m. – TBD



ADJOURNMENT

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