

THE SENATE
THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2014

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

NOTICE OF INFORMATIONAL BRIEFING

DATE: Monday, March 17, 2014
TIME: 9:00am
PLACE: Conference Room 229
State Capitol
415 South Beretania Street

A G E N D A

The purpose of this informational briefing is to receive an update from the Hawai'i Health Connector, the Insurance Commissioner and the Governor's Healthcare Transformation Coordinator regarding Connector operations and Hawaii's implementation of the Affordable Care Act (ACA) with significant deadlines ahead including the end of the individual open enrollment period on March 31, 2014. The Hawai'i Health Connector will focus on plan enrollment, improvements to IT operations, discussions about sustainability, and recent Federal guidance that affects Connector operations.

The Insurance Commissioner will discuss the impact of recent changes to ACA, the opportunities presented to individuals and small businesses as well as the significance of the open enrollment period.

To conclude the briefing, the Healthcare Transformation Coordinator will outline state agency stakeholder actions that affect ACA implementation in Hawai'i.

The following individuals are invited to participate:

1. Tom Matsuda, Interim Executive Director, Hawai'i Health Connector
2. Gordon Ito, Insurance Commissioner, Department of Commerce and Consumer Affairs
3. Beth Giesting, Healthcare Transformation Coordinator, Office of the Governor

No public testimony will be accepted.

If you require auxiliary aids or services to participate in the public hearing process (i.e. ASL or foreign language interpreter, or wheelchair accessibility), please contact the committee clerk at least 24 hours prior to the hearing so that arrangements can be made.

FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE CLERK AT **(808)586-6070**.

This informational briefing will be broadcasted by Capitol TV.

Senator Rosalyn H. Baker
Chair





HAWAI'I HEALTH CONNECTOR

INFORMATIONAL BRIEFING, March 17, 2014
Committee on Commerce and Consumer Protection
Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

Tom Matsuda, Interim Executive Director

State-based marketplaces

Required services:

- Build and operate an online health insurance marketplace for individuals and small businesses
- Public outreach and education; assistance with enrollment
- Be self-sustaining in 2015

Online health insurance marketplace: Current status

- Open Enrollment for individuals ends March 31, 2014
- Submit a completed application by March 31
- Next Open Enrollment for individuals: November 15, 2014 to February 15, 2015
- Small business enrollments are ongoing

Online health insurance marketplace: Current status

- Online system is operating and still under construction
- Individuals and small businesses can apply, get tax credits, compare plans, and enroll
- Real time eligibility determinations
- Working to improve system functionality and ease of use
- Public access: online, in-person, telephone

Online health insurance marketplace: Current status

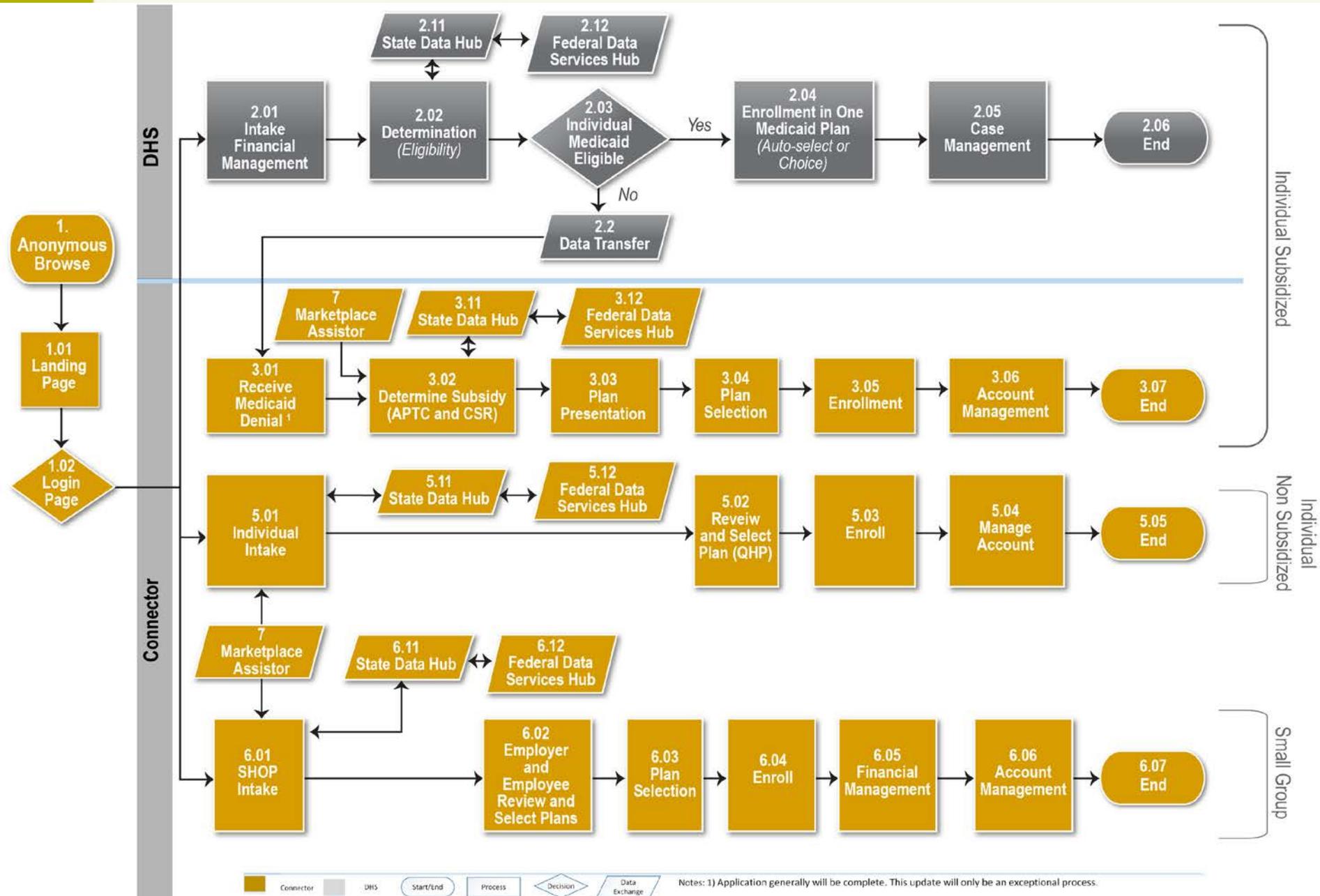
- Uninsured Hawai'i residents are getting coverage, many for the first time
- People with pre-existing conditions are getting coverage and medical care
- Many people are qualifying for tax subsidies to reduce out-of-pocket premium costs

Hawaii Health Connector Metrics

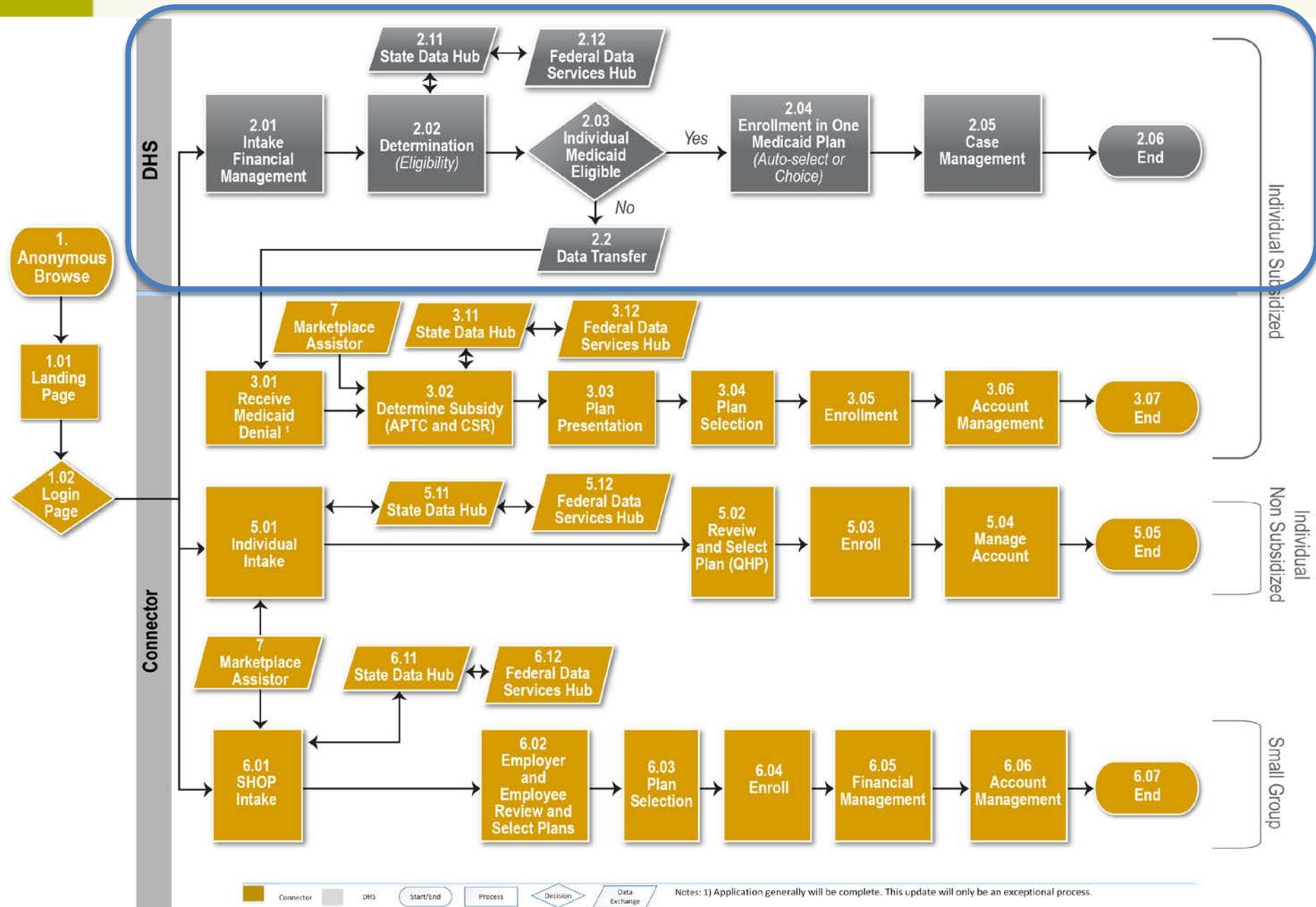
(October 1, 2013 through March 8, 2014)

METRIC	DECEMBER 7, 2013	MARCH 8, 2014
Individual/Family Applications Completed	4,306	21,317
Individual QHP Enrollments Sent to Issuers	683	4,969
SHOP Employer Applications	220	476
Contact Center Volume	29,610	80,187

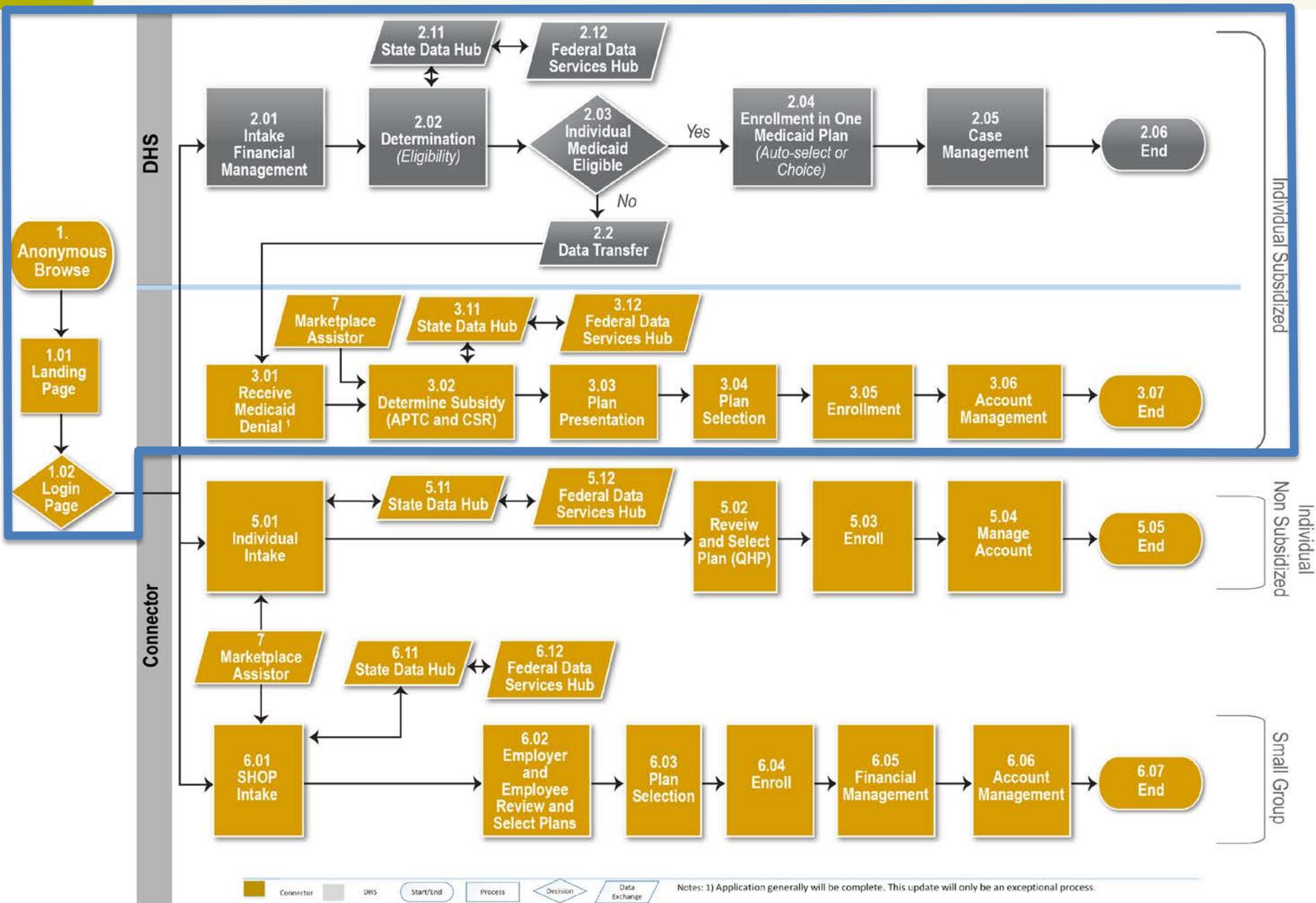
Application Workflow Process



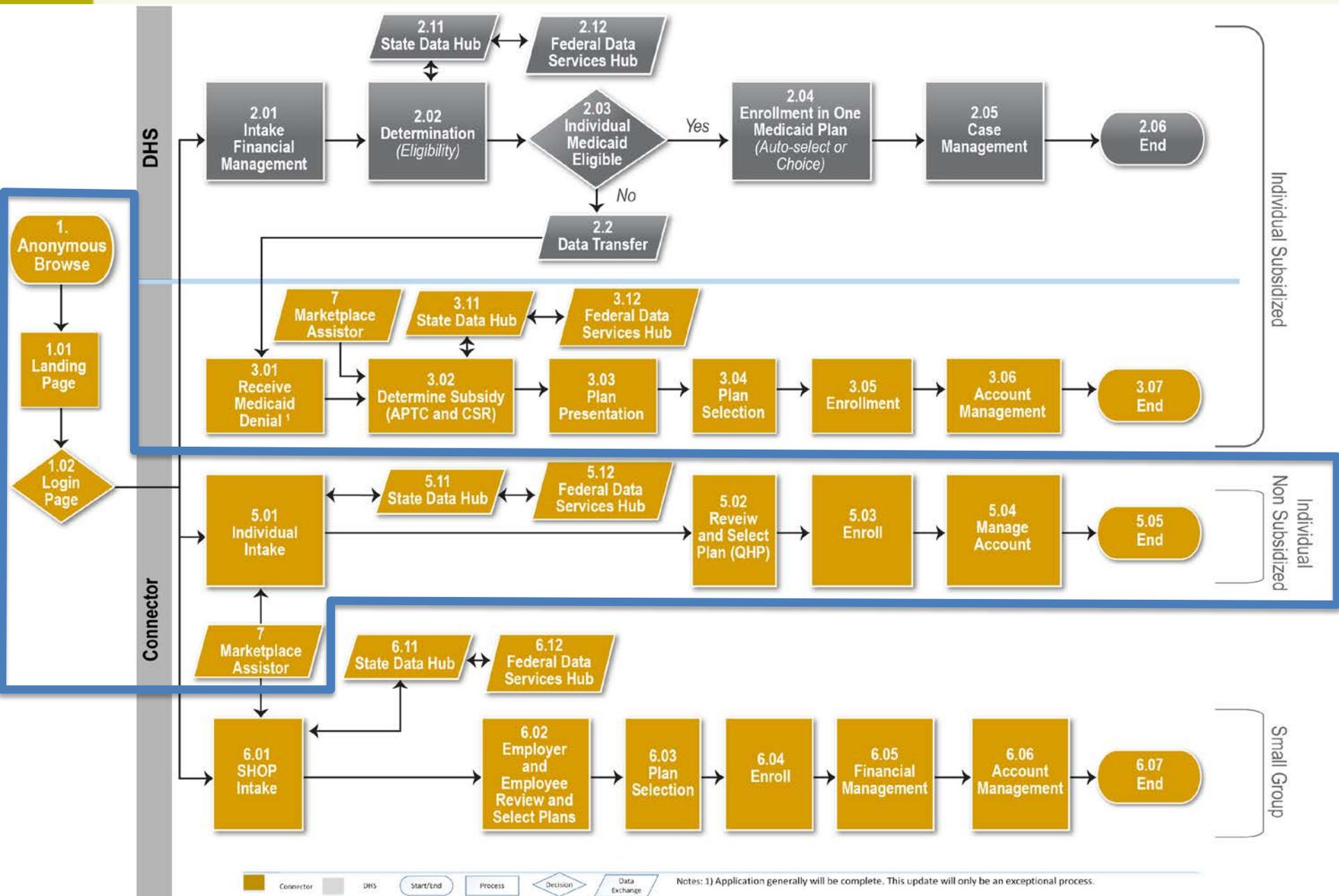
DHS - Medicaid



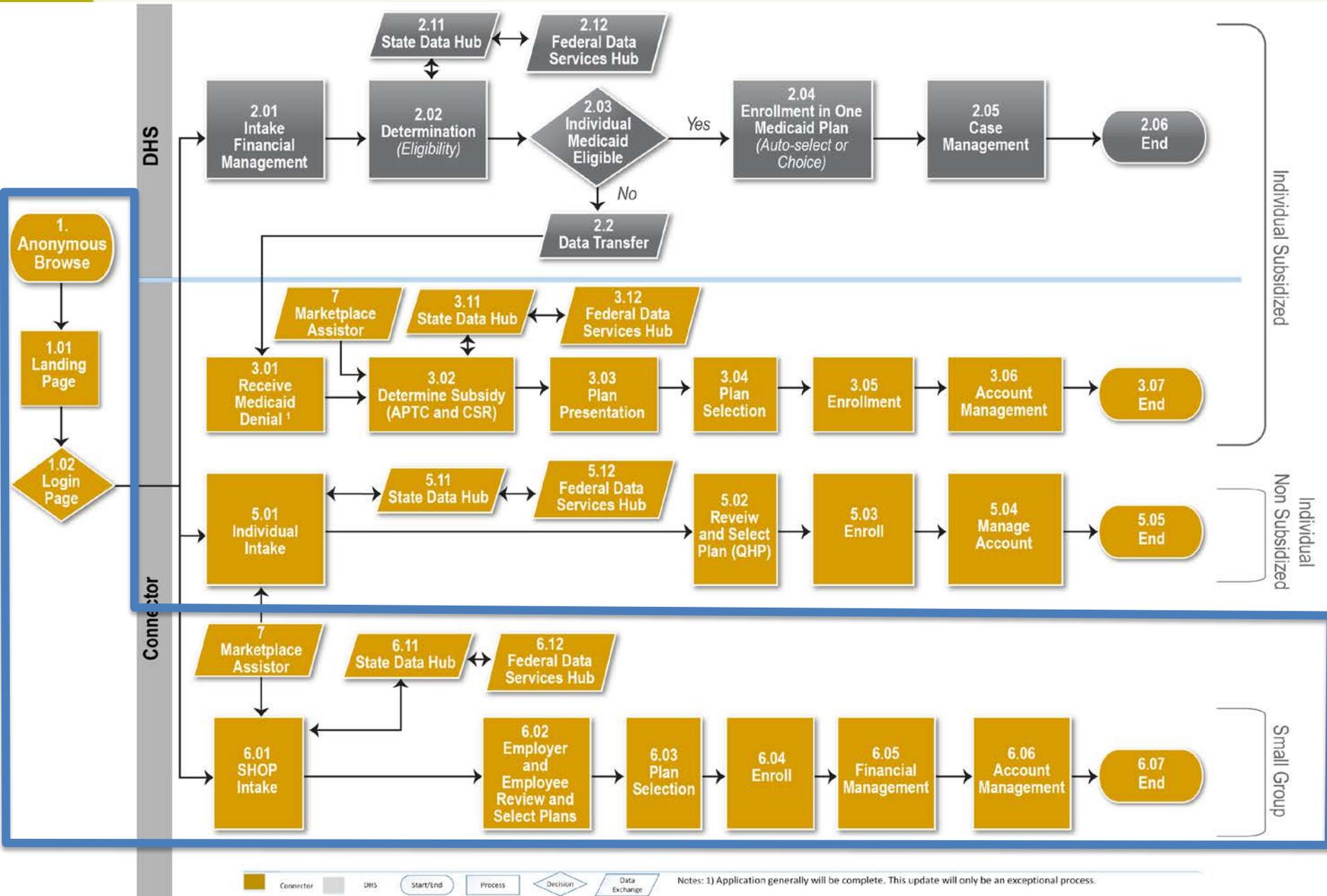
Individual Subsidized



Individual Non-Subsidized



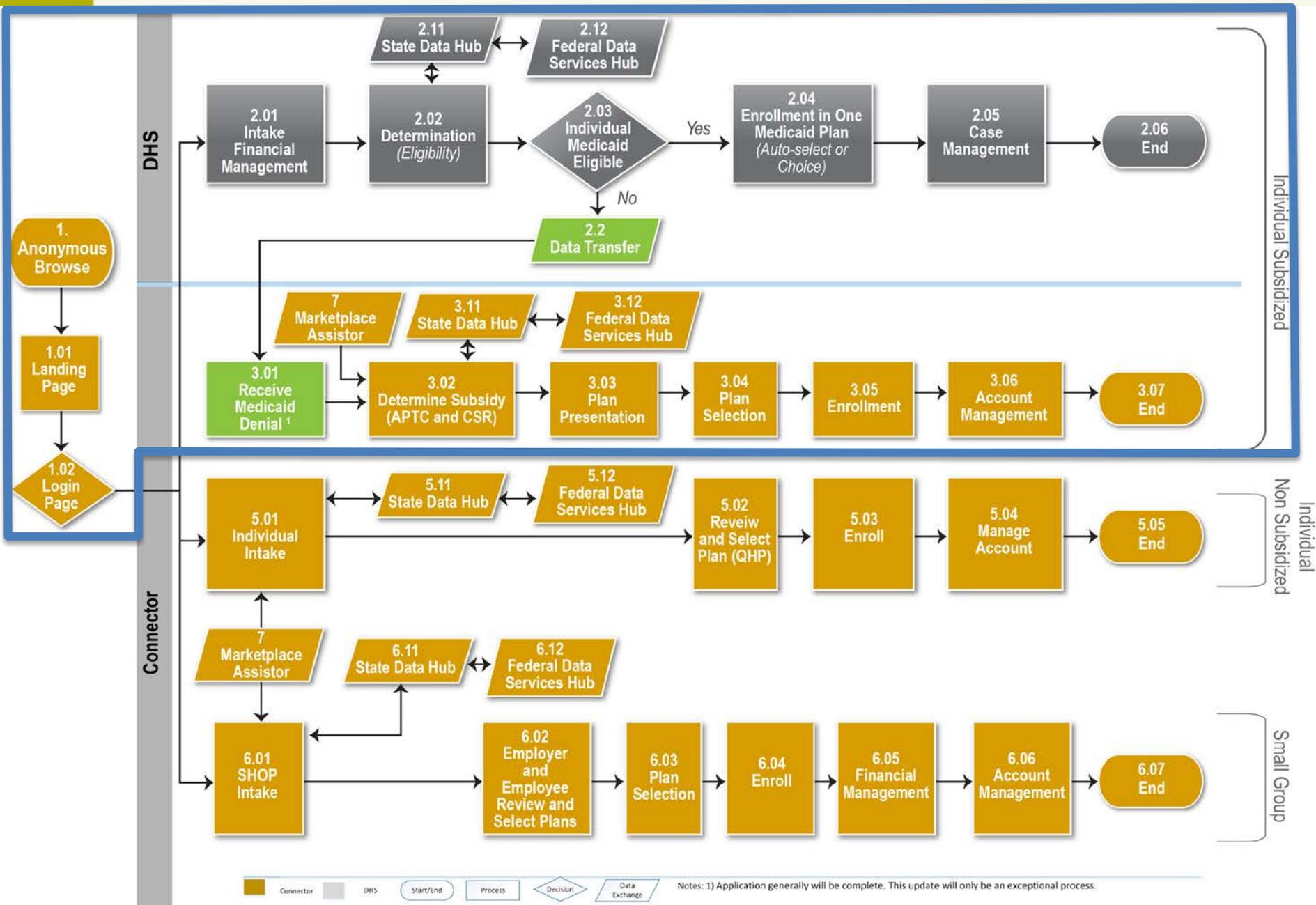
Small Business (SHOP)



Online health insurance marketplace: Current challenges

- Individual Marketplace: Financial Assistance processing backlogs
- SHOP Marketplace: working but difficult to use; improvements in final release
- Online consumer experience: some parts of the process are not user-friendly yet
- Many applicants need assistance to apply and enroll
- Changing rules cause confusion for consumers and create operational challenges

Individual Subsidized



Online health insurance marketplace: Current challenges

- Individual Marketplace: Financial Assistance processing backlogs
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Public outreach and education/ assistance with enrollment: Current status

Hi'i Ola Program

- 31 Community Partners statewide
- 121 Certified Kōkua or In-Person Assisters
- 36 Certified Kōkua or Certified Application Counselors (CACs)
- Recent sub-grant to the Sovereign Councils of the Hawaiian Homelands Assembly (SCHHA)

Public outreach and education/ assistance with enrollment: Current status

Contact Center

- Temporary surge for Open Enrollment: over 80 workers

Grassroots enrollment campaign

- Over 300 events on all islands since February 1st
- “Set an appointment” with our Kōkua

Self-sustaining by 2015: Current status

- Board of Directors sustainability planning ongoing; coordinating with state agencies
- Outline of plan and budget in 2-3 weeks
- Federal grant extension request only partially approved
- “Grandmothered plans” policy extension through 2016 will reduce enrollment
- ACA innovation waiver not available until 2017

Be self-sustaining by 2015:

Keys to achieving a good sustainability plan:

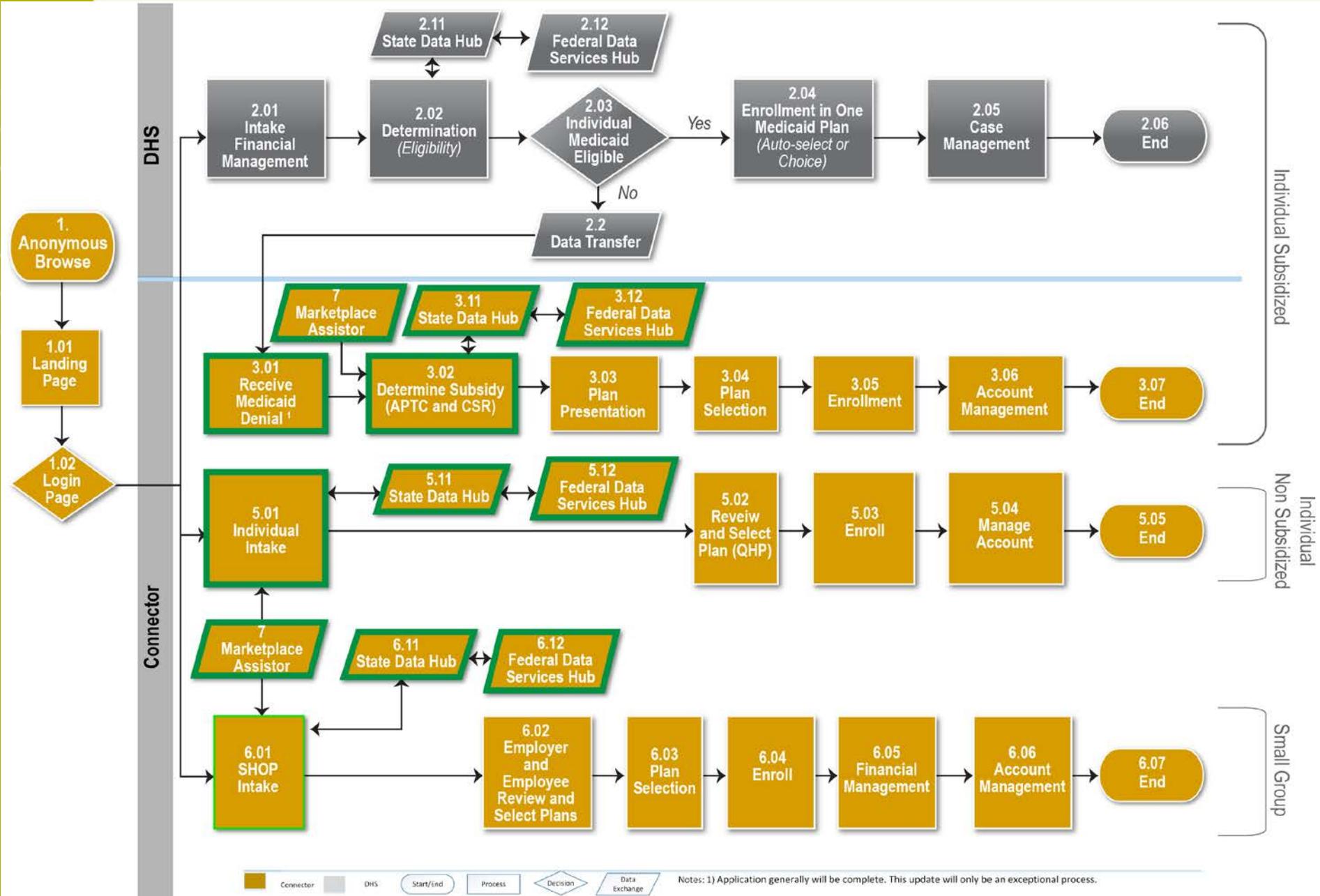
- Reduce operating costs and unnecessary services
- Protect Prepaid Health Care Act
- Continue to enroll the uninsured
- Continue providing ACA tax subsidies only available through the Individual Marketplace
- Coordinate with the State, Consumers, Insurers, Brokers and Agents, and Healthcare Providers
- Leverage remaining federal funds to improve Hawai'i's systems for universal coverage

Be self-sustaining by 2015:

Possible solutions under consideration:

- Unify Medicaid and Connector application and eligibility systems into a single system

Applications and Eligibility Determinations



Be self-sustaining by 2015:

Possible solutions under consideration:

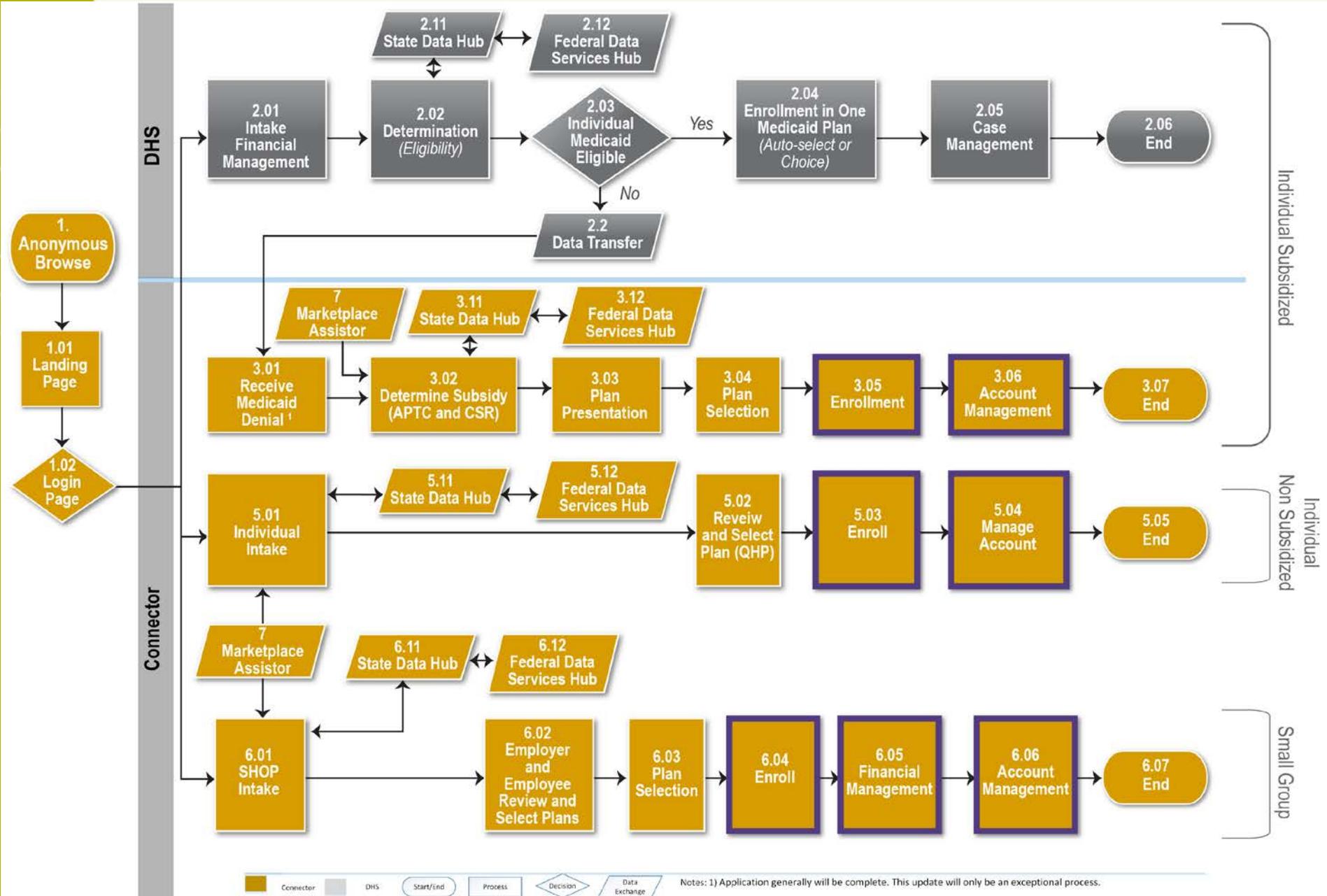
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Be self-sustaining by 2015:

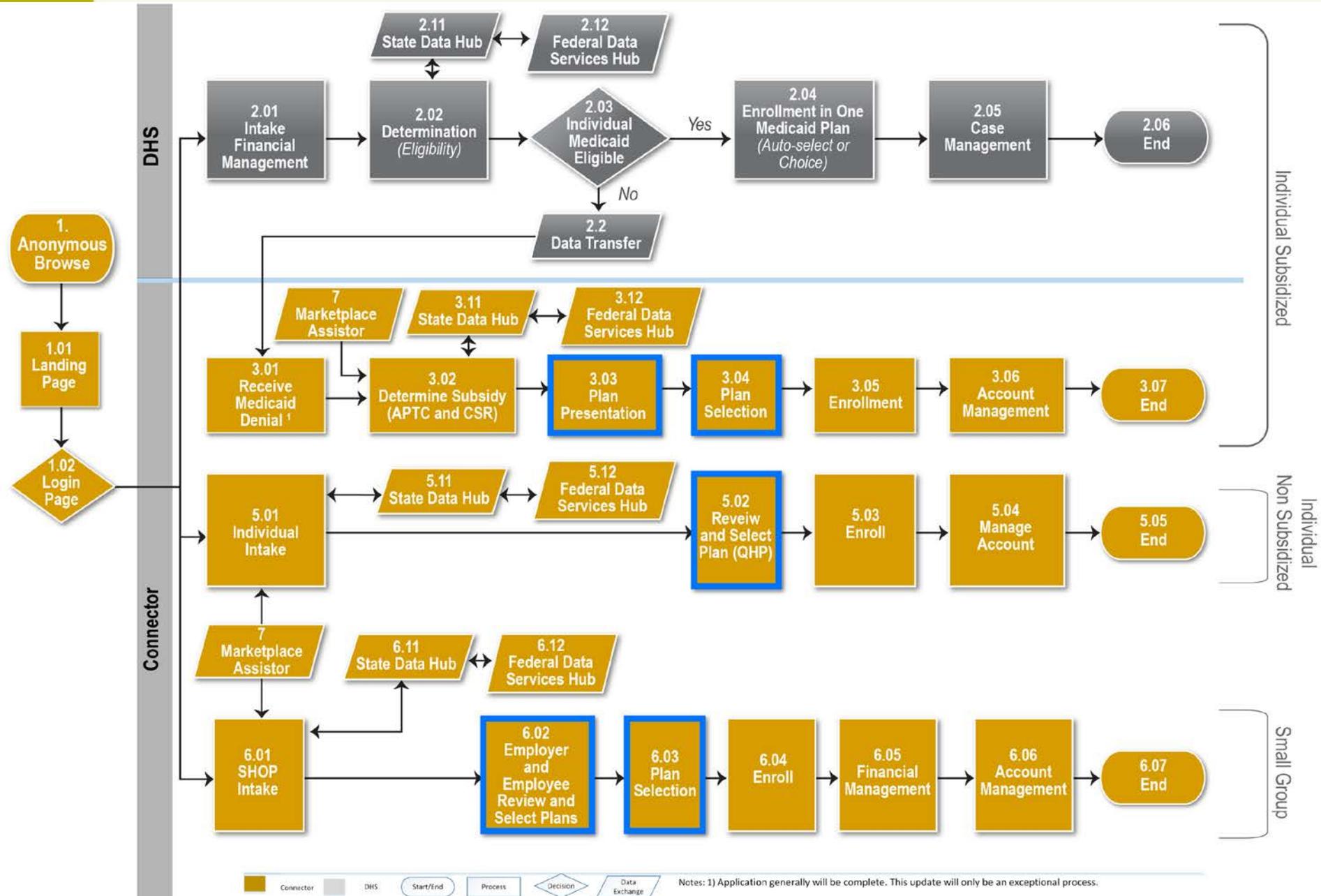
Possible solutions under consideration:

- Unify Medicaid and Connector application and eligibility systems into a single system
- After the applicant selects a health plan, the Insurers complete the enrollment process (“Kayak” model)

Enrollment and Financial Management



Plan Presentation and Selection



Be self-sustaining by 2015:

Possible solutions under consideration:

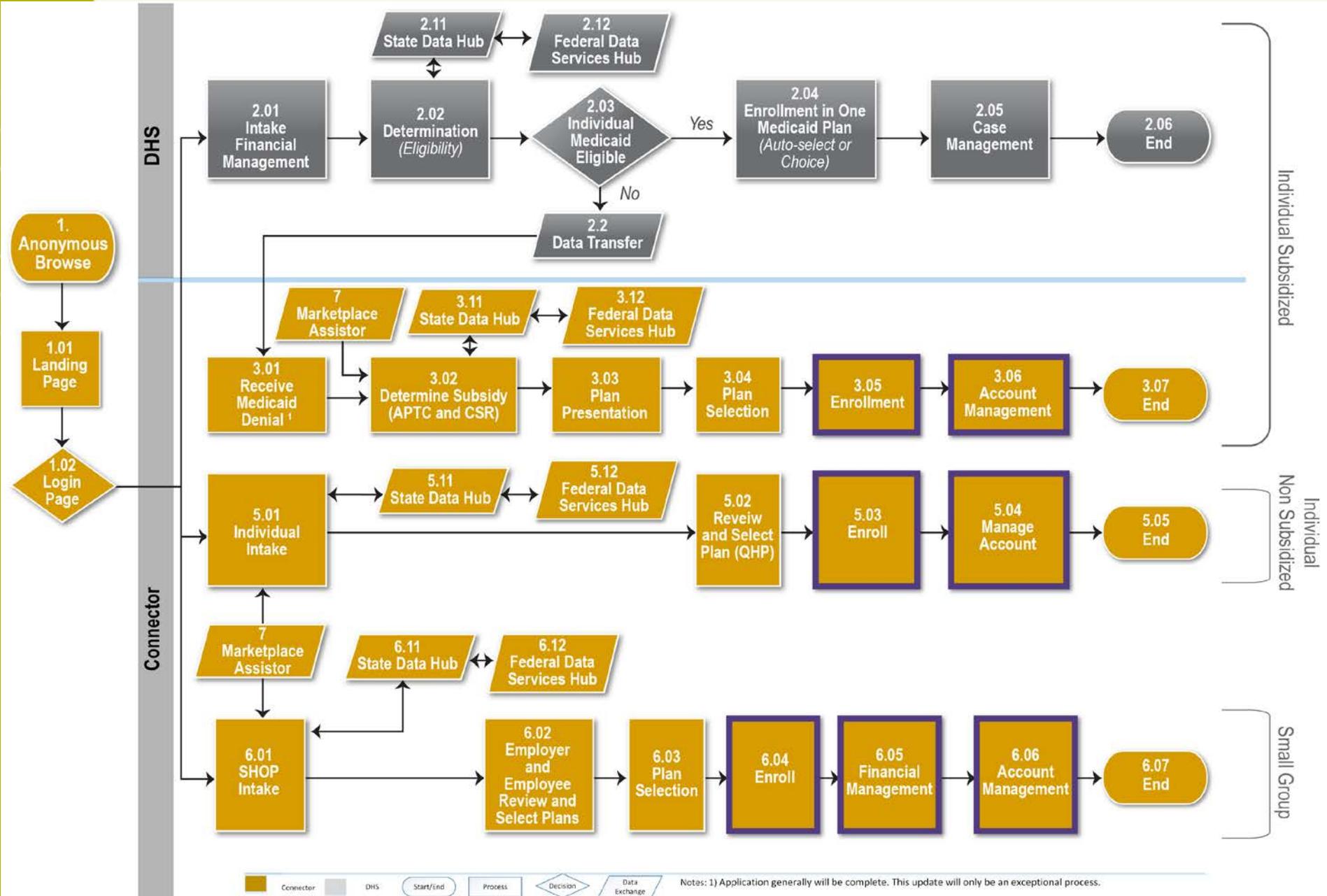
- Unify Medicaid and Connector application and eligibility systems into a single system
- After the applicant selects a health plan, the Insurers complete the enrollment process (“Kayak” model)

Be self-sustaining by 2015:

Possible solutions under consideration:

- Unify Medicaid and Connector application and eligibility systems into a single system
- After the applicant selects a health plan, the Insurers complete the enrollment process (“Kayak” model)
- Or - Connector maintains enrollment functions as a service and expands enrollment base to large employers when allowed by the ACA in 2017

Enrollment and Financial Management



Be self-sustaining by 2015:

Analysis needed:

- What is allowed under the ACA?
- What is technically feasible?
- What are the cost savings for each model, and what are the trade-offs?
- How can remaining federal grant development funds be leveraged within the grant timeline?
- What are short-term solutions until the Innovation Waiver becomes available?
- What are long-term solutions that we want to implement before the Innovation Waiver?

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State Agency Update on ACA Implementation

- 1. Connector sustainability,
2015-17**
- 2. Other contingencies, 2015-17**
- 3. Innovation waiver planning,
2017 and after**

Requirements

- **Preserve Prepaid**
- **Be scaled to Hawaii's needs**
- **Be cost-effective, sustainable**
- **Meet ACA requirements**

Contingency Planning

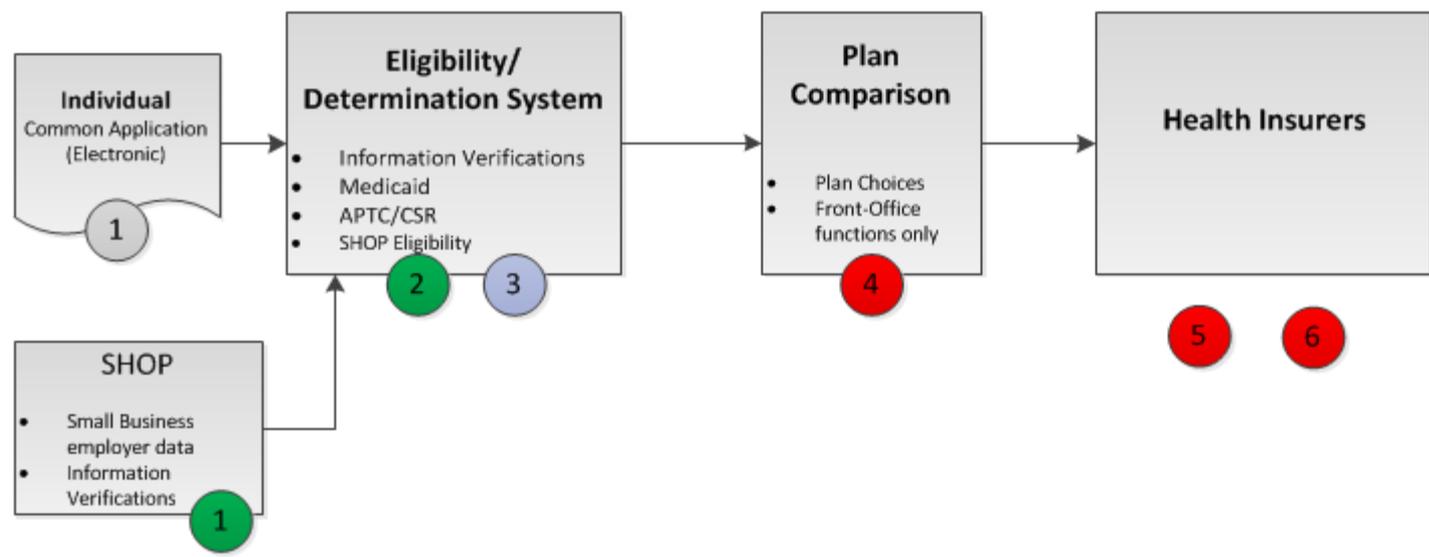
- Federally-facilitated exchange?
- Partnership exchange?
- State-based exchange?

Connector Sustainability

- Reduce operating costs
- One system for Medicaid/APTC determination
- Effective SHOP options
- Meet ACA requirements

Potential Models: (Conceptual diagrams only)

SBM Model A – “Kayak” Model
(More system functions performed at insurers)

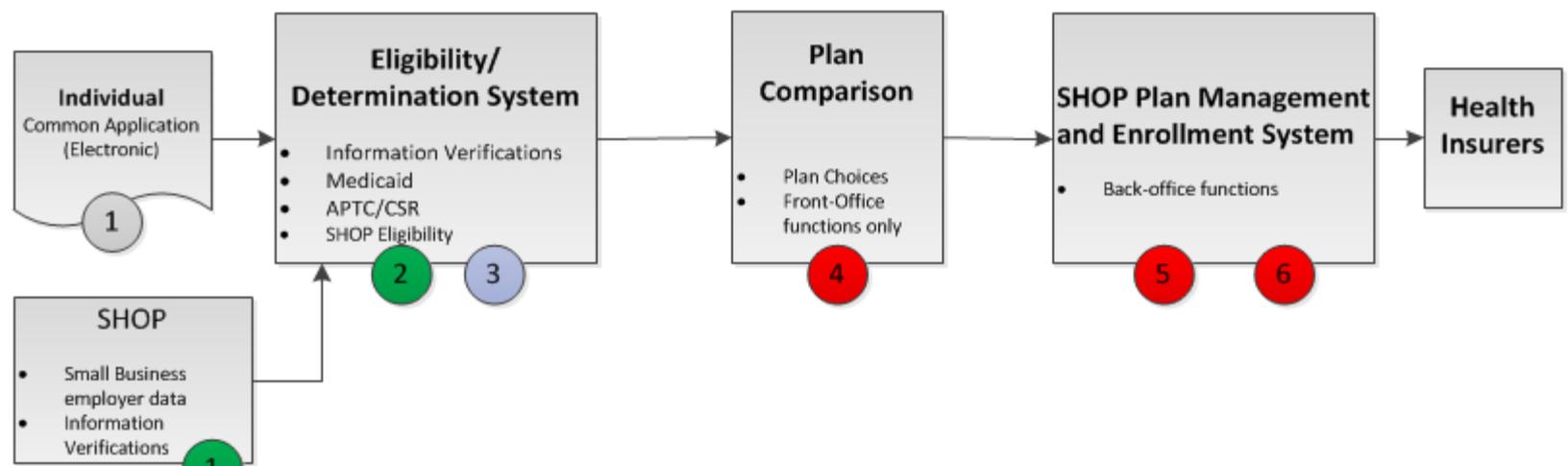


Key:

- Minor reconfiguration of existing capacity
- Reconfiguration of existing capacity
- Complex Reconfiguration or New Build

Note (5)(6) for SHOP:
Requires significant decisions on systems and enrollment; may require Federal waiver for “Direct Enrollment”

SBM Option B – “Orbitz” (More system functions performed at HIX & State)



Considerations

- **Which functionality best fits short- and long-term needs?**
- **Which is most sustainable?**
- **Which meets ACA requirements?**

2017 Innovation Waiver

- Opportunity to re-examine and align health coverage.
 - Enrollment
 - Benefits
 - Providers, models
 - Payment strategies

2017 Innovation Waiver

- **Benefits, cost, availability at least as good**
- **Budget neutral**
- **Can be combined with Medicaid & Medicare waivers**
- **Public input**
- **State laws in place**

Beth Giesting

Healthcare Transformation Coordinator

Office of the Governor

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