State Innovation Waiver Section 1332 of the Affordable Care Act - Small Business Health Options Program (SHOP) Waiver

Reporting Instructions: Use the following template to capture data for quarterly and annual 1332 waiver reporting, as specified in 31 CFR 33.124 and 45 CFR 155.1324, and referenced in your grant specific terms and conditions. Enter data requested for quarterly reporting into Sections A through E below. Quarter 4 data should be combined with the submittal of the annual report, therefore the entire template (Sections A through G) should be completed for annual reporting purposes. Check specific grant terms and conditions for quarterly and annual report due dates.

Please answer all questions in the space provided. Text boxes are not character limited and will expand to accommodate responses.

PERFORMANCE PROGRESS REPORT - Quarterly and Annual SF-PPR Quarterly and Annual		
A. GRANTEE INFORMATION		
1. Reporting Period End Date 12/31/2017	**2. Report Due Date** 3/31/2018	**3. Quarterly Report** ○ **Annual Report** ◉
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	**5. Federal Grant Number Assigned by Federal Agency** [redacted]	**6a. DUNS Number** [redacted] **6b. EIN** [redacted]
7. Recipient Organization Name State of Hawaii		
Address Line 1 Department of Labor and Industrial Relations		
Address Line 2 830 Punchbowl St, Room 309		
Address Line 3		

City	State	Zip Code	Zip Extension
Honolulu	Hawaii	96813	

8. Grant Period Start Date	**9. Grant Period End Date**
10/27/2017	12/31/2021

10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)

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B. REPORT CERTIFICATION

11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

11a. Typed or printed name and title of Authorized Certifying Official	11c. Telephone (area code, number, and extension)
Leonard Hoshijo Director	[redacted]
	11d. E-mail address [redacted]
11b. Signature of Authorized Certifying Official	11e. Date report submitted (month/day/year)
	03/29/2018; 04/16/2018

C. PROGRESS OF SECTION 1332 WAIVER - General

12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver.

Under the Section 1332 Waiver, Hawai'i will receive approximately $2.7 million from the ACA Small Business Health Care Tax Credit to be redirected and to augment the Prepaid Premium Supplementation Fund (PSF) for plan years beginning in 2017 through 2021. Since 2011, the PSF has paid out over $2 million to eligible employers and their employees. No State funding was appropriated for the PSF in 2017.

Additionally in 2017, there were no changes to the State law that may have impacted the waiver no were there changes to eligibility or other program changes under the Prepaid Health Care Act.

On October 27, 2017, the PSF received $428,864 in federal funds to help defray the cost of health care premiums for eligible employers. As of December 31, 2017, no monies have been distributed to employers for employee health coverage due to the restriction that the funds are for plan years beginning on or or after January 1, 2017, and the fact that employers are required to submit current tax returns as part of the approval process. Employers also have up to two years to request reimbursement from the PSF. It is anticipated that PSF requests will begin after employers have filed their 2017 tax returns. Initial requests may include a large percentage of partial reimbursements due to the fact that many employers have 2016 plan year health coverage that carried over into 2017.

To increase employer awareness, a press release was issued by the Hawaii Department of Labor and Industrial Relations ("DLIR") on November 8, 2017. The press release has been added to the DLIR and Disability Compensation Division ("DCD") webpages along with being publicly posted at all District Offices.

DCD will address the over 800-member Hawaii Employers Council on February 9, 2018, to discuss the PSF and how employers can request reimbursements along with providing informational handouts. In addition, DCD will hold post award forums in conjunction with our employer orientation workshops on May 2, 2018,

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and November 7, 2018. The workshops will include a power point presentation that provides general information regarding the Hawaii Workers' Compensation, Temporary Disability and Prepaid Health Care Laws. DCD will again emphasize the funding of the PSF and how employers may request reimbursements. The workshops will allow employers to freely ask questions or to consult with DCD staff in private in addition to commenting on the progress of the waiver program.
13. Describe any implementation and/or operational challenges, and plans for and results of associated corrective actions. No challenges at this time.
14. Provide an update on the waiver's implementation and/or operational timeline. Describe any changes. No changes at this time.
15. Describe any changes to state law that might impact the waiver and the date(s) these changes occurred. In 2017, there were no changes to the State law that may have impacted the waiver nor were there changes to eligibility or other program changes under the Prepaid Health Care Act.
16. Describe the overall methodology for data collection. The State Innovation Waiver data is reported to address health insurance coverage levels in the State's post-waiver marketplace. Tracking indicators include small group enrollment uptake, small group premium costs, employee out-of-pocket costs, and additional measures exploring the pass through of the ACA small employer tax credits to the Prepaid Premium Supplementation Fund. Actuarial Analyses were conducted at the beginning of the waiver's proposal request to forecast tracking annual indicators for the year 2017.

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State Innovation Waiver Section 1332 of the Affordable Care Act - SHOP Waiver

D. PROGRESS OF SECTION 1332 WAIVER - State-Specific					
17. Metrics to assist evaluation of the waiver's compliance with the statutory requirements in section 1332(b)(1					
	Q1	Q2	Q3	Q4	Notes
a. Projected small group enrollment	129,303	129,303	129,303	129,303	Average Projected: 129,303
Actual small group enrollment	129,673	129,606	129,096	128,974	Average Enrollment: 129,337
b. Projected individual plan enrollment through the Marketplace	54,599 includes off Mp	54,599 includes off Mp	54,599 includes off Mp	54,599 includes off Mp	Average Projected Through + Off: 54,599
Actual individual plan enrollment through the Marketplace	17,413	17,178	16,448	16,041	Average Enrollment Through + Off: 39,400
c. Projected individual plan enrollment off Marketplace	54,599 includes on Mp	54,599 includes on MP	54,599 includes on Mp	54,599 includes on Mp	Average Projected Through + Off: 54,599
Actual individual plan enrollment off Marketplace	24,453	22,778	22,017	21,272	Average Enrollment Through + Off: 39,400
d. Projected average small group premium (total premiums paid for the quarter divided by enrollment in (a) above)	455.91	455.91	455.91	455.91	Average Projected: $455.91
Actual average small group premium (total premiums paid for the quarter divided by enrollment in (a) above)	$413.93	$413.51	$422.07	$423.07	Average Actual: $418.22
e. Projected average employee out-of-pocket cost (premium contribution and cost-sharing) in the small group market	93.01	93.01	93.01	93.01	Average Projected: $93.01 per member per month
Actual average employee out-of-pocket cost (premium contribution and cost-sharing) in the small group market	$97.49	$91.11	$90.83	$80.07	Average Actual: $89.88

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18. Reporting of Federal pass-through funding spent on:

	Q1	Q2	Q3	Q4	Notes
a. Payments to eligible employers under the Prepaid Health Care Premium Supplementation Fund or otherwise	NA	NA	NA	0	$428,864 in federal funds authorized, but no payments disbursed as of 12/31/2017
b. Outreach and enrollment	NA	NA	NA	NA	
c. Other purposes including a breakdown of how funds were spent by activity	NA	NA	NA	NA	

19. Describe any changes to eligibility under the Prepaid Health Care Act or other program changes and the date(s) these changes occurred.

No changes were made.

E. POST-AWARD FORUM

(for Quarter Post-Award Forum was held)

20. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?

(•) Yes

( ) No

21. State website address where Post-Award Forum was advertised

http://labor.hawaii.gov

22. Date Post-Award Forum took place

5/9/2017

23. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received and actions taken in response to concerns or comments.

The post award forum was held on May 9, 2017. No written responses were received. There was one oral question that was referred to another agency for resolution. There were no comments or concerns.

24. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)

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F. PERFORMANCE PROGRESS REPORT - Annual Report
SF-PPR Annual Report
(Additional Annual Report Questions)

25. Describe how the approved waiver is complying with section 1332(b)(1)(A) through (C) of the Affordable Care Act. Provide data in support of each requirement, if not already provided.

25a. Comprehensiveness

A majority of employees are covered by "platinum" equivalent health care plans. The rest are covered by "gold" equivalent plans.

25b. Affordability

An eligible employee may pay up to half the cost of the premium, but no more than 1.5% of their wages. For "gold" equivalent plans, the employer must also pay at least half the cost of dependent coverage.

25c. Scope of Coverage

Every private employer with one or more eligible workers must cover them with an approved health care plan (unless the employee signs an approved waiver).

26. Provide the amount of state funding appropriated for the Prepaid Health Care Premium Supplementation Fund.	No funding for 2017.
27. Provide the number of employers receiving funds through the Prepaid Health Care Premium Supplementation program or through other uses of pass-through funding.	None for 2017.
28. Provide the number of employees provided health coverage by employers receiving funds through the Prepaid Health Care Premium Supplementation program or through other uses of pass-through funding.	None for 2017.

G. STATE INTERNAL IMPLEMENTATION REVIEW - ATTESTATION
(Additional Annual Report Questions)

29. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?

(●) **Yes**

( ) **No**

30. Describe the state's implementation review process.

As of December 31, 2017, no action has been taken because no premium supplementation requests have been submitted due to the plan year requirement. As we begin to receive requests, our audit section will review the submittals for completeness and note common problems/errors so that the State can inform employers what they need to watch out for so that the documents/forms are accurate. This will assist in speeding up the approval process.

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