

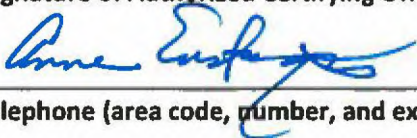


## Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Small Business Health Options Program (SHOP) Waiver Quarterly/Annual Report

**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.

STATE:

<b>A. GRANTEE INFORMATION</b>		
<b>1. Reporting Period End Date</b> December 31, 2021	<b>2. Report Due Date</b> March 31, 2022	
<b>3. Quarterly Report</b> <input type="radio"/> <b>Annual Report</b> <input checked="" type="radio"/>		
<b>4. Federal Agency and Organization Element to Which Report is Submitted</b> Consumer Information & Insurance Oversight		
<b>5. Federal Grant Number Assigned by Federal Agency</b> [REDACTED]	<b>6a. DUNS Number</b> [REDACTED]	<b>6b. EIN</b> [REDACTED]
<b>7. Recipient Organization Name</b> State of Hawaii		
<b>Address Line 1</b> Department of Labor and Industrial Relations		
<b>Address Line 2</b> 830 Punchbowl Street		
<b>Address Line 3</b> Room 309		
<b>City</b> Honolulu	<b>State</b> Hawaii	<b>Zip Code</b> 96813
<b>Zip Extension</b> 5080	<b>8. Grant Period Start Date</b> October 27, 2017	<b>9. Grant Period End Date</b> December 31, 2026
<b>10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)</b>		

## Section 1332 of the PPACA SHOP Waiver Quarterly/Annual Report

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	Anne E. Perreira-Eustaquio, Director of Labor and Industrial Relations
11b. Signature of Authorized Certifying Official	
11c. Telephone (area code, number, and extension)	
11d. E-mail address	
11e. Date report submitted (month/day/year)	MAR 31 2022
C. PROGRESS OF SECTION 1332 WAIVER - General	
12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver.	DLIR authorized payments totaling \$40,285.00 bringing the Federal share of expenditures to \$800,234.00.
13. Describe any implementation and/or operational challenges, and plans for and results of associated corrective actions.	No changes at this time.
14. Provide an update on the waiver's implementation and/or operational timeline. Describe any changes.	Please see attached letter dated 12/10/2021.
15. Describe any changes to state law that might impact the waiver and the date(s) these changes occurred.	No changes to the state law that my have impacted the waiver nor 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-pockets costs, and additional measures exploring the pass through of

## Section 1332 of the PPACA SHOP Waiver Quarterly/Annual Report

the ACA small employer tax credits to the PSF.

A data summary spreadsheet was provided to all health insurers for enrollment, premium, and claims data. Each quarter, the insurers will provide data for the current quarter, as well as update data from previous quarters. Therefore, previous quarterly data will continue to be revised as claims become accounted for. Some insurers may not include the final month of the most recent quarter, which result in lower estimates.

## Section 1332 of the PPACA SHOP Waiver Quarterly/Annual Report

<b>D. PROGRESS OF SECTION 1332 WAIVER - State-Specific</b>					
<b>17. Metrics to assist evaluation of the waiver's compliance with the statutory requirements in section 1332(b)(1)</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Notes</b>
a. Projected small group enrollment	131,774			131,774	
Actual small group enrollment	107,772			101,590	
b. Projected individual plan enrollment through the Marketplace	58,203 (including off marketplace)			58,203 (including off marketplace)	
Actual individual plan enrollment through the Marketplace	21,382			17,551	
c. Projected individual plan enrollment off Marketplace	58,203 (including on marketplace)			58,203 (including on marketplace)	
Actual individual plan enrollment off Marketplace	14,309			12,775	
d. Projected average small group premium (total premiums paid for the quarter divided by enrollment in (a) above)	\$568.91			\$568.91	
Actual average small group premium (total premiums paid for the quarter divided by enrollment in (a) above)	\$495.88			\$471.08	
e. Projected average employee out-of-pocket cost (premium contribution and cost-sharing) in the small group market	\$108.31			\$108.31	

## Section 1332 of the PPACA SHOP Waiver Quarterly/Annual Report

	Q1	Q2	Q3	Q4	Notes
Actual average employee out-of-pocket cost (premium contribution and cost-sharing) in the small group market	\$107.54			\$86.89	
<b>18. Reporting of Federal pass-through funding spent on:</b>					
	Q1	Q2	Q3	Q4	Notes
a. Payments to eligible employers under the Prepaid Health Care Premium Supplementation Fund or otherwise	\$157,268			\$339,207	
b. Outreach and enrollment	NA			NA	
c. Other purposes including a breakdown of how funds were spent by activity	NA			NA	
<b>19. Describe any changes to eligibility under the Prepaid Health Care Act or other program changes and the date(s) these changes occurred.</b>  <b>No changes made.</b>					
<b>E. POST-AWARD FORUM</b> <i>(for Quarter Post-Award Forum was held)</i>					
<b>20. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?</b> <input type="radio"/> Yes <input type="radio"/> No					
<b>21. State website address where Post-Award Forum was advertised</b>  					
<b>22. Date Post-Award Forum took place</b>  No forums held in Quarter 4 but a public meeting will be scheduled in Quarter 2.					
<b>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.</b>  					

## Section 1332 of the PPACA SHOP Waiver Quarterly/Annual Report

<b>24. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)</b>	
<b>F. ANNUAL REPORT QUESTIONS</b>	
<b>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.</b>	
<b>25a. Comprehensiveness</b>	A majority of employers are covered by "platinum" equivalent health care plans. The rest are covered by "gold" equivalent plans.
<b>25b. Affordability</b>	An eligible employee may pay up to half the costs of the premiums, but not more than 1.5% of their wages. For "gold" equivalent plans, the employer must also pay at least half the cost of dependent coverage.
<b>25c. Scope of Coverage</b>	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).
<b>26. Provide the amount of state funding appropriated for the Prepaid Health Care Premium Supplementation Fund.</b>	None
<b>27. Provide the number of employers receiving funds through the Prepaid Health Care Premium Supplementation program or through other uses of pass-through funding.</b>	35 for 2021 Plan Year
<b>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.</b>	129 for 2021 Plan Year
<b>G. STATE INTERNAL IMPLEMENTATION REVIEW - ATTESTATION</b>	
<b>29. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).</b>	
<input checked="" type="radio"/> Yes <input type="radio"/> No	
<b>30. Describe the state's implementation review process.</b>	
DLIR holds meetings to review waiver progress and monitor application status.	

## Section 1332 of the PPACA SHOP Waiver Quarterly/Annual Report

--



*Administrator*  
Washington, DC 20201

December 10, 2021

**VIA ELECTRONIC MAIL:** [Anne.E.Perreira-Eustaquio@hawaii.gov](mailto:Anne.E.Perreira-Eustaquio@hawaii.gov)

Anne Perreira-Eustaquio  
Director  
Department of Labor and Industrial Relations  
State of Hawaii  
830 Punchbowl St. #321  
Honolulu, HI 96813

Dear Director Perreira-Eustaquio:

Thank you for your August 13, 2021, submission of Hawaii's extension application for a State Innovation Waiver under section 1332 of the Patient Protection and Affordable Care Act (ACA). Hawaii has once again requested a waiver of the ACA requirement that a Small Business Health Options Program (SHOP) operate in Hawaii and other related requirements relevant to SHOP Exchanges, to allow the state to continue with the state's Prepaid Health Care Act and associated requirements for employers beginning with plan year 2022. I am pleased to send this letter from the Department of Health and Human Services (HHS), as well as on behalf of the Department of the Treasury (collectively, the Departments).

This letter is to inform you that the Departments, having completed their review of the waiver extension application, approve Hawaii's extension application for its State Innovation Waiver under section 1332 of the ACA (referred to throughout as section 1332 waiver). Enclosed with this letter are the specific terms and conditions (STCs) for Hawaii's State Innovation Waiver. The Departments' approval of Hawaii's extension application is conditioned upon the state's acceptance of these STCs within 21 days of the date of this letter, or by December 31, 2021. This approval is effective for a waiver period of January 1, 2022, through December 31, 2026.

The Departments are granting Hawaii's waiver extension application to waive the requirement for a SHOP to operate in Hawaii and other related requirements relevant to SHOP Exchanges, as described in the state's waiver extension application. Specifically, Hawaii's waiver extension plan seeks to continue to waive the following sections of the ACA and continue implementation of the state's Prepaid Health Care Act and related requirements under the waiver program for an additional five years, for plan years 2022 through 2026:

- Section 1311(b)(1)(B) – State establishment of a SHOP;
- Section 1321(c)(1) – Solely with respect to federal establishment of a SHOP in the state if it elects not to establish a SHOP;
- Section 1312(a)(2) – Employee choice of qualified health plans (QHP) at a single level of coverage under ACA section 1302(d), and made available through the SHOP;
- Section 1312(f)(2)(A) – Definition of “qualified employer”;



- Sections 1304(b)(4)(D)(i) and (ii) – Continuation of participation in SHOP for growing small employers;
- Section 1301(a)(1)(C)(ii) – Definition of a “qualified health plan” as one that agrees to offer at least one silver and one gold level plan through an Exchange, solely with respect to the requirement that a QHP offer a silver and a gold level plan through the SHOP; and
- Section 1301(a)(2) – Solely with respect to the requirement that CO-OPs and multi-state plans be recognized as QHPs in the small group market.

The Departments remain committed to working with state partners to advance health care coverage policies. Through section 1332 waivers, the Departments aim to assist states with developing health insurance markets that expand coverage, lower costs, and ensure that health care truly is a right for all Americans. The Departments have determined that this waiver plan satisfies the guardrails as set forth in section 1332(b)(1)(A)-(D) of the ACA and aligns with Executive Order 13985<sup>1</sup> and Executive Order 14009.<sup>2</sup> The Departments also have determined that implementation of this waiver plan will lower federal Small Business Health Care Tax Credits (SBTC), to which Hawaii employers would have been entitled absent the waiver. These SBTC savings will be passed through to the state to be used for implementation of the waiver plan. The Departments have considered public comments in making this determination. The Departments’ written responses to comments received during the federal comment period will be available online.<sup>3</sup>

The enclosed STCs further define the state’s responsibilities with respect to implementation of the waiver and use of pass-through funding during the waiver period and the nature, character, and extent of anticipated federal oversight of the project. The state is encouraged to engage with the Departments early in the process if it is interested in amending or extending its waiver plan. The required information and process may vary based on the complexity of the proposed change or extension. A breach of any of the STCs may lead to termination of Hawaii’s State Innovation Waiver.

Please send your written acceptance and any communications and questions regarding program matters or official correspondence concerning the waiver to [stateinnovationwaivers@cms.hhs.gov](mailto:stateinnovationwaivers@cms.hhs.gov).

---

<sup>1</sup> See <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government>

<sup>2</sup> See <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/28/executive-order-on-strengthening-medicare-and-the-affordable-care-act>

<sup>3</sup> [https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section\\_1332\\_State\\_Innovation\\_Waivers.html](https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_State_Innovation_Waivers.html)

Congratulations. We look forward to working with you and your staff. Please do not hesitate to contact us if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Chiquita Brooks-Lasure".

Chiquita Brooks-Lasure

Enclosure

cc: Lily Batchelder, Assistant Secretary for Tax Policy, U.S. Department of the Treasury

The Honorable David Y. Ige, Governor, State of Hawaii

Colin M. Hayashida, Commissioner, Insurance Division, Hawaii Department of  
Commerce and Consumer Affairs