

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



October 27, 2017

VIA ELECTRONIC MAIL: Linda.C.Takayama@Hawaii.gov

Linda Chu Takayama
Director of Labor and Industrial Relations
State of Hawai'i
830 Punchbowl St # 321
Honolulu, HI 96813

Dear Ms. Takayama:

On December 30, 2016, the Department of Health and Human Services (HHS) and the Department of the Treasury (collectively, the Departments) approved Hawai'i's Section 1332 waiver. Hawai'i sought to waive the Patient Protection and Affordable Care Act (PPACA) requirement that a Small Business Health Options Program (SHOP) operate in Hawai'i and other related requirements relevant to SHOP Exchanges. The Specific Terms and Conditions (STCs) executed by Hawai'i and the Departments provided that the total pass-through amount for the 2017 to 2021 waiver period is estimated to be \$2,795,766. The STCs further provide that Hawai'i's pass-through funding under the statute for the 2017 calendar year is \$459,169, the first payment of which would cover the first three quarters of 2017 and would be made in October 2017. This amount is consistent with the Department of the Treasury's final administrative determination and is subject to sequestration at the fiscal year 2018 rate of 6.6 percent, for a net pass-through of \$428,864 for calendar year 2017.

If you have any questions regarding program matters or official correspondence concerning the waiver, please contact Robert Yates at Robert.Yates@cms.hhs.gov or stateinnovationwaivers@cms.hhs.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Pate", is written over the word "Sincerely,".

Randy Pate
Director, Center for Consumer Information and Insurance Oversight
Deputy Administrator, Centers for Medicare & Medicaid Services

Cc: David Kautter, Assistant Secretary for Tax Policy, U.S. Department of the Treasury
The Honorable David Y. Ige, Governor of Hawai'i
Commissioner Gordon I. Ito, Department of Commerce Consumer Affairs – Ins. Division