

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



July 20, 2026

**VIA ELECTRONIC MAIL:** [Jade.Butay@hawaii.gov](mailto:Jade.Butay@hawaii.gov)

Jade Butay  
Director  
Department of Labor and Industrial Relations  
State of Hawai'i  
830 Punchbowl Street, Room 321  
Honolulu, HI 96813

Dear Director Butay:

On December 10, 2021, the Department of Health and Human Services and the Department of the Treasury approved Hawai'i's application for an extension of its State Innovation Waiver under Section 1332 of the Patient Protection and Affordable Care Act (ACA). Hawai'i's approved extension application waives the ACA's requirement that a Small Business Health Options Program (SHOP) operate in Hawai'i, as well as other related requirements relevant to SHOP Exchanges, for plan years 2022 through 2026.

It is the Department of the Treasury's final administrative determination that Hawai'i's pass-through funding amount for calendar year 2026 is \$51,368, which must be used for purposes of implementing Hawai'i's State Innovation Waiver. This amount will be subject to fiscal year 2026 sequestration. As a result, amounts payable in fiscal year 2026 will be reduced by 5.7 percent. The estimated amount after sequestration is \$48,440.

We look forward to continuing to work with you and your staff. If you have any questions regarding program matters or official correspondence concerning the waiver, please contact Meril Pothen at [Meril.Pothen@cms.hhs.gov](mailto:Meril.Pothen@cms.hhs.gov) or [stateinnovationwaivers@cms.hhs.gov](mailto:stateinnovationwaivers@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Nelson", is located below the "Sincerely," text.

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

CC: Kenneth J. Kies, Assistant Secretary, Tax Policy, U.S. Department of the Treasury  
The Honorable Josh Green, Governor, State of Hawai'i

JoAnn Vidinhar, Administrator, Disability Compensation Division, Hawai'i Department of Labor and Industrial Relations (DLIR)

Misty Sumida, Program Specialist, Disability Compensation Division, DLIR

Scott Saiki, Commissioner, Hawai'i Department of Commerce and Consumer Affairs (DCCA)

Jerry Bump, Chief Deputy Commissioner, DCCA

Arlene Ige, Health Program Administrator, DCCA