Draft

Prepaid Health Care Advisory Council Meeting

State of Hawaii
Department of Labor and Industrial Relations
830 Punchbowl Street, Room 209
Hearing Room #3
Honolulu, HI 96813

Also via Microsoft Teams

March 12, 2025
1:01 p.m. to 1:52 p.m.

Council members present
Ms. Bonnie Pang, Chair
Mr. Wayne Graves
Mr. Mike Hogan
Ms. Lauren Yee
Dr. John McDonnell

Council members absent
Ms. Winona White
Mr. Derek Kanehira

Staff present
Jade Butay, Director
Ami Aiona
Jodie Murakami
Stacey Hiranaka
Jung Yun (Kelly) Ha, Deputy Attorney General

With a quorum present, Ms. Pang called the meeting to order at 1:01 p.m. The members in attendance identified themselves.

Approval of minutes

Ms. Pang asked if there were any additions, corrections, or comments to the circulated minutes of the October 15, 2024 meeting. Ms. Yee amended page 4, paragraph 4 to "Ms. Yee asked that the plan covers antibiotics in alignment with Prepaid and the Prevalent Plan." Ms. Yee amended page 4, paragraph 8, to "Ms. Yee stated that items 22 and 26, physical and occupational therapy benefits, should be covered at 90 days per occurrence instead of 90 visits per occurrence to match the Prevalent Plan." Page 4, paragraph 10, Ms. Yee amended paragraph to "For item 30 regarding the removal of the plan deductible for out-of-network adult and child well-care visits, Ms. Yee agreed with staff that for out-of-network child-well visits, the plan deductible needed to be removed to match the Prevalent Plan which was 70% no deductible. However, out-of network

adult well care visits are 70% after deductible for both the Prevalent Plan (p. 17) and Cigna (p. 18) so Cigna doesn't need to remove the deductible for the out-of-network adult well care visit benefit." Ms. Yee amended page 5, paragraph 2 "page 50" to "page 51" and "second bullet" to "third bullet." Page 5, paragraph 6 Ms. Yee amended the first sentence to add "to match the Prevalent Plan (p.36)" at the end of the sentence. In the same paragraph, she also corrected the sentence to "He asked Ms. Yee if her understanding was that a change in ACA required it to be unlimited." Ms. Yee amended the first sentence on page 6, paragraph 6 to "Ms. Yee had the same concerns about matching the Prevalent Plan for the limit on IVF attempts, the lack of general nursing services benefits, the lack of regular and special diet benefits, the lack of antibiotics coverage, the limit for physical therapy must be at least 90 days per occurrence, the limit for occupational therapy must be at least 90 days per occurrence, the lack of bariatric surgery coverage, and the removal of the limit on genetic counseling visits." There were no additional amendments. A motion was made by Dr. McDonnell to approve the minutes of the October 15, 2024 meeting as amended. The motion was seconded by Mr. Hogan and carried by unanimous vote.

Review of Plans

Chair Pang asked May Goya to take the group through the Kaiser Permanente Group $20/20%/$300 Plan requests. Ms. Goya asked if she would be reviewing the KP Group Plan later. Chair Pang agreed to go over the KP Group Plan first.

Kaiser was represented by May Goya, Chad Hertzog, Christopher Lutz, and Gabby Ehrlich.

Kaiser Permanente Group Plan

Kaiser informed the Department of benefit and language changes made to the prevalent plan. Changes would be effective upon the employer group's contract renewal date beginning January 1, 2026.

Ms. Goya stated on the summary grid that she had attached to the DCD form HC-17 the first item was a benefit change to remove the exclusion of eye refraction exam for contact lens and to cover it as an office visit. Kaiser had decided to withdraw this change and was no longer asking for this change. Chair Pang asked for a reason for the withdrawal. Mr. Hertzog shared that their internal system could not administer this benefit change upon renewal and therefore they were not able to be flexible with their key accounts that renew off of a standard calendar year. Kaiser needed to take it back and make sure that they could do it properly and would revisit it in the future. Mr. Hertzog shared that this service and benefit will continue to be a part of the optical rider for those employers and members that have that, so it will be covered under the optical rider that provides hardware.

Ms. Goya stated the next change was a clarification of language. When multiple services are provided during the same visit, preventive services are covered at no charge and diagnostic therapeutic services are covered at the applicable cost share. Ms. Goya shared that clarification was to support the current practice today.

Ms. Goya stated the other change impacted eligible members with end-stage renal disease (ESRD). Kaiser now offers a program to help with the Medicare Part B premiums and wanted to inform members in that situation that they could enroll in that program if they're eligible.

Ms. Goya stated another change was a language clarification for consultation for hearing aids. Those consultations are covered, so Kaiser corrected the Evidence of Coverage (EOC) to reflect the current practice and removed the consultation exclusion.

Ms. Goya stated the last language clarification was in regard to genetic testing and screenings. It is covered when medically necessary, so Kaiser revised the EOC accordingly.

Ms. Goya asked Chair Pang if she wanted Ms. Goya to address the notation on row 13 on the HC-17. Chair Pang agreed. Ms. Goya shared on row 13 there was a notation for drugs, dressing, oxygen and antibiotics and that antibiotics were not mentioned in their EOC. Ms. Goya confirmed "antibiotics" were currently not called out in their EOC but was covered under the category of administered drugs and referenced page 30 under the inpatient hospital section, bullet #16. Chair Pang stated she had inquired about this call out and antibiotics were listed specifically in the Prepaid Health Care Act which was why the question came up. She understood that antibiotics were covered under the administered drug category. Ms. Yee stated it was not feasible to list all the drugs and that's why it had a category header of "administered drugs." Ms. Yee shared she thought that this was a little different because it was specifically called out as a required benefit under the hospital benefit under the Prepaid Health Care Act. Ms. Yee stated it seemed to be Hawaii industry standard language because HMSA listed "antibiotics" on page 23, UHA on page 29, HMAA on page 18, and the Council had recommended Cigna add it to its 2025 contracts. Ms. Yee asked Ms. Goya if it would be a problem to ask to list "antibiotics." Ms. Goya stated it would not be a problem to add "antibiotics" to the revised document that would be submitted for 2026 and asked the Council if there was a preference or if it was ok to include it with administered drugs. Ms. Yee stated there were no preferences.

Ms. Goya stated on the last page of the HC-17 there were clarifications and corrections that Department staff had noted such as capitalization of the defined terms, consistent use of "covered at no charge" and the listing of "HMO Flex/Plus Services" as a rider options that would not count towards the copayment maximum. Ms. Yee questioned the Department staff about whether "red-lined clarifications" like capitalizations, and lowercase changes would be required from the carriers in the summary going forward for 2027 submissions. Ms. Yee stated she understood that Department staff had put in a lot of time putting it together and it may be easier for the carriers/contractors to include this since they are familiar with the contracts. Ms. Murakami requested all changes be noted moving forward because it does take time to identify the changes that have been made. Mr. Wayne agreed the request made sense to him.

Chair Pang asked for clarification on page VI regarding the telehealth "Cost Share, if applicable, will be applicable depending on service." Chair Pang asked Ms. Goya what it meant looking at it from a consumer's perspective and if it was clear that consumers would know what their copayment would be. Ms. Goya stated cost share depends on the type of service and where they receive it. She referenced page 26, "Covered to provide telecommunication Services such as video conferencing, visits between the member and the medical practitioner (including but not limited to Specialists, primary care practitioners and mental health practitioners). Services

appropriately provided through telehealth in accordance with generally accepted healthcare practices and standards prevailing in applicable professional community at the time Services were provided are subject to cost shares as described under applicable benefits section. For example, office visits are subject to office visit cost shares." Chair Pang asked Council members if it was clear for consumers, would they understand that they need to go back to the document, and if they could easily find what their out-of-pocket would be. Ms. Yee shared if she put herself in the member's shoes she wouldn't know what she would be charged unless she read page 26. Ms. Yee stated maybe a reference like "see page 26" would force members to look further into the document. There were no other comments from Council members.

Chair Pang asked for clarification about pregnancy termination benefits on page 23 "Your cost share for this Service is determined based on location of your Service." She questioned if it was talking about inpatient/outpatient or geographical location. Ms. Goya stated it referenced inpatient, outpatient and ambulatory surgical center. Chair Pang asked Council if it was clear that members would understand the language. Mr. Graves stated that wording could be improved in the cost share reference. Mr. Graves stated referencing page 26 was clearer compared to what is stated on page 23. Ms. Yee agreed with Mr. Graves. Dr. McDonnell stated he agreed with Mr. Graves and it was simpler for the average person to understand that the location of the service was either inpatient, outpatient, or ambulatory service. Mr. Hogan agreed and said it was appropriate to make it clearer for the member. Chair Pang asked if Ms. Goya would make the change to the language. Ms. Goya agreed to.

Chair Pang questioned the significance of March 1 on page 39 for internal/external prosthetic devices and braces. Ms. Goya did not know how March 1st was decided upon but it had been a part of the criteria for many years. Chair Pang stated it was good to know it had been there for a long time and had no further questions.

Chair Pang summarized the following changes to be made to the Prevalent Plan:

1. Exclusion of eye refraction exam for contact lens is not changed;
2. The plan specifies antibiotics as a hospital benefit;
3. Genetic tests and screenings are covered when medically necessary;
4. Consultations for hearing aids are covered;
5. When preventive services and diagnostic or therapeutic services are provided during the same visit, preventive services are covered at no charge, and diagnostic/therapeutic services are covered at the applicable cost share;
6. For eligible members with ESRD, plan offers a program to help with Medicare Part B premiums;
7. Provide references on Telehealth regarding copayments and coinsurance applicability; and
8. Provide references on Pregnancy Termination (Inpatient/Outpatient) services regarding copayments and coinsurance applicability.

Chair Pang requested that plans submitted for review indicate all changes and edits, including but not limited to typographical errors, capitalization changes, and rephrasing changes.

Kaiser Permanente Group $20/20%/$300 Plan

Kaiser submitted to the Department benefit and language changes made to this plan and requested approval under Section 393-7(b). Changes would be effective upon the employer group's contract renewal date beginning January 1, 2026.

Ms. Goya stated they withdrew the benefit change removing the exclusion of the eye refraction exam for contact lens and covering it as an office visit.

Ms. Goya shared the language clarification for office visits. When multiple services are provided during the same visit, preventive services would be covered at no charge and diagnostic/therapeutic services would be covered at the applicable cost share.

Ms. Goya shared another language change. The language addition informed eligible members with ESRD that Kaiser offers a program to help with the Medicare Part B premiums.

Ms. Goya shared a language clarification in the exclusion section. Kaiser removed "consultation" for hearing aids.

Ms. Goya shared the language clarification updating the exclusion section so genetic tests and screenings are covered when medically necessary.

Dr. McDonnell questioned who determines medical necessity for the genetic testing and by what criteria. Ms. Goya shared the physician determines medical necessity and follows clinical criteria. Dr. McDonnell questioned if physicians would need to just say these are medically necessary based on the criteria. Ms. Goya stated she believed that the Permanente Medical Group has standard criteria that all their physicians follow. Mr. Lutz elaborated when a specialist from the genetics department orders genetic testing then it would be approved. Mr. Graves questioned if any other types of requests would have to be referrals to them or is there some form of centralized medical management that determines necessity or is it in individual areas? Mr. Lutz stated they have a centralized department where referral orders are sent. Generally, when referrals come from a specialized department and patient needs specialized care then those are honored. Mr. Lutz shared there are certain situations that go to a chief for review. Mr. Graves questioned how consistency is ensured or is there a potential for one person to get approved while another person gets denied depending on who is submitting the referral or is there more specific criterion. Mr. Lutz stated in cases that requires chief review, it goes to a single chief and if referrals come from different specialists within the same department, then as long as the specialist made the referral then the Authorizations Referrals Management department would honor the referral.

Ms. Goya addressed the comment on the HC-17 regarding antibiotics, and stated antibiotics are covered under "administered drugs" but Kaiser was willing to specifically call out antibiotics in that section.

Ms. Goya shared language clarification and corrections that were called out by Department staff and confirmed they were accurate. The capitalizations were intentionally made because they were defined terms.

Chair Pang asked if there were any further discussions or questions. Ms. Murakami questioned the change in the diabetes equipment benefit that was in one review but not mentioned on the

other plan review. Ms. Goya stated when they initially filed in mid-November, the first filing reflected a change to the diabetes equipment but a month later it had been resubmitted without that change.

Ms. Yee asked Chair Pang if the telehealth and the pregnancy termination language changes would also be requested of Kaiser for this plan. Chair Pang agreed.

There were no additional questions. Chair Pang reminded carriers to make sure that submissions were as clean as best as possible to ensure correct submissions were reviewed/approved timely. Chair Pang repeated the changes and additional requirements and called for a motion.

A motion was made by Ms. Yee to recommend continued approval of the plan under Section 393-7(b) provided:

1. Exclusion of eye refraction exam for contact lens is not changed;
2. The plan specifies antibiotics as a hospital benefit;
3. Provide references on Telehealth regarding copayments and coinsurance applicability; and
4. Provide references on Pregnancy Termination (Inpatient/Outpatient) services regarding copayments and coinsurance applicability.

The motion was seconded by Mr. Graves and carried by unanimous vote.

<u>Kaiser Permanente Group $25/$150 (20% Lab, Imaging, and Testing) Plan</u>

Kaiser submitted to the Department benefit and language changes made to this plan and requested approval under Section 393-7(b). Changes would be effective upon the employer group's contract renewal date beginning January 1, 2026.

Ms. Goya stated Kaiser withdrew the benefit change that was submitted to remove the exclusion of refraction exam for contact lens and cover it as an office visit.

Ms. Goya stated the language clarification for office visits was changed so when multiple services are provided during the same visit preventive services are covered at no charge and diagnostic therapeutic services are covered at the applicable cost share.

Ms. Goya stated the next changed item informed eligible members with ESRD that Kaiser offers a program to help with Medicare Part B premiums.

Ms. Goya stated a language clarification was the removal of "consultations" for hearing aids from the exclusion section.

Ms. Goya stated a language clarification said that genetic tests and screenings are covered when medically necessary.

Ms. Goya stated on the HC-17 form, row 13 feedback from Department staff is that antibiotics are not listed as covered. Ms. Goya stated on page 30 antibiotics are covered under administered drugs. Ms. Goya stated Kaiser will be adding antibiotics in that section when submitting a revision.

Ms. Goya stated edits for capitalization and minor language changes in structure that Department called out were correct and Kaiser had cleaned up the EOC of terminology and defined terms that should have been capitalized.

Chair Pang asked if there were any questions.

Mr. Graves asked for clarification on the medical necessity for genetic testing in terms of how medical necessity is determined, if it is standard and common across all the plans. Mr. Lutz stated yes, the medical necessity is agnostic to the plan.

Dr. McDonnell questioned Kaiser's use of the acronym ESRD and asked if ESRD stands for End Stage Renal Disease. Mr. Lutz confirmed.

Chair Pang called for a motion for this plan on the changes that were described by Ms. Goya.

A motion was made by Mr. Hogan to recommend continued approval of the plan under Section 393-7(b) provided:

1. Exclusion of eye refraction exam for contact lens is not changed;
2. The plan specifies antibiotics as a hospital benefit;
3. Provide references on Telehealth regarding copayments and coinsurance applicability; and
4. Provide references on Pregnancy Termination (Inpatient/Outpatient) services regarding copayments and coinsurance applicability.

The motion was seconded by Mr. Graves and carried by unanimous vote.

Chair Pang thanked the Council members for their feedback and noted the importance of reviewing the documents and making recommendations to the Director from the perspectives of compliance with the Prepaid Health Care Act, based on their experiences, and from the consumer's perspective.

Adjournment

The meeting was adjourned at 1:52 p.m.