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

July 2, 2025
1:45 p.m. to 2:50 p.m.

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

Staff present
Ami Aiona
Jodie Murakami
Misty Sumida
Jung Yu (Kelly) Ha, Deputy Attorney General

Call to order

With a quorum present, Ms. Pang called the meeting to order at 1:45 p.m. The Council members in attendance identified themselves.

Review of Plans

Kaiser Foundation Health Plan Inc (KFHP) and Kaiser Permanent Insurance Co (KPIC)

KFHP was represented by May Goya. KPIC was represented by Gabby Ehrlich.

Kaiser Permanente Group Added Choice 80/20 Plan

Ms. Murakami stated Kaiser Permanente Group Added Choice 80/20 Plan started in 2002 and described the plan. Kaiser Permanente Added Choice 80/20 Plan is a 7(a) 3-tier point-of-service (POS) health plan that offers Grandfathered and large group members the flexibility to choose where and how they receive care, with three main options: Kaiser Permanente providers, contracted providers, or any licensed non-contracted provider. It combines the benefits of Kaiser Permanente's integrated care model with the freedom to access care outside the Kaiser Permanente network. This plan has been approved and available as a 7(a) in the market for over 25 years.

KFHP and KPIC informed the Department of benefit and language changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective upon the employer groups' contract renewal dates beginning January 1, 2026.

For the KFHP tier, Ms. Goya stated no benefit changes were made. She described the language changes: when multiple services were provided in the same visit, preventive services were covered at no charge and diagnostic therapeutic services were covered at the applicable cost share; for eligible members with End Stage Renal Disease (ESRD), Kaiser offered a program to help with Medicare Part B premiums; hearing aid consultations were covered so the exclusion of the visit was removed; genetic testing and screening exclusion was revised to exclude services that were not medically necessary; capitalization of defined terms; used "covered" instead of "provided;" used "services" instead of "care;" clarified in the annual copay maximum section that any fitness programs did not contribute towards the out-of-pocket maximum; the Senior Advantage information under the Outstanding Balances section was removed because there was no such Senior Advantage plan; and the removal of the phrase "when federal law applies" from the description of emergency services. Ms. Goya stated that in response to the staff comment on the HC-17 form regarding the lack of reference to antibiotics, the Explanation of Coverage (EOC) showed administered drugs, which included antibiotics, were covered under the sixteenth bullet of the inpatient hospital section. She stated that the plan would be revised to specifically call out antibiotics.

Chair Pang requested that "PCP" on page 3 include the description of the type of provider from page 4 including family and general practice, OB/GYN, internal medicine, or pediatrics. This would make it easier for someone to find the information.

Chair Pang asked what "your cost share for this service is determined based on the location of your service" meant on page 24. Ms. Goya explained that the location could be at a medical office, ambulatory surgery center, or hospital.

Chair Pang briefly asked about the description of physical, occupational, and speech therapy on page 37 that did not allow duplicate services available through school and/or government programs before asking about durable medical equipment benefits on page 41. She asked for clarification on the cost share based on location of the service. Ms. Goya confirmed that the cost share would be different if it was outpatient or in an office setting.

For the KPIC tier, Ms. Ehrlich described the changes made. The only benefit change was well child care was increased from 80% to 100% coverage from birth through age 18 [*sic*]. Language changes included: clarification that Kaiser Permanente Insurance Company was referred to as "KPIC;" formatting throughout the certificate of insurance; added a statement to consult the employer if a schedule of coverage was not received; added an introduction including contact info for members with questions; added the PHCS Network as contracted providers; added a requirement for the members to obtain precertification when using the new PHCS Network provider; transplant language was revised to show transplants other than corneal and kidney were covered under the HMO tier; language changes to deductible, self-only deductible, and individual deductible; moved explanation of percentage payable, family deductible maximum, benefit specific deductible, cost shares, out-of-pocket maximum, self-only out-of-pocket, maximum individual only out-of-pocket, family out-of-pocket maximum, other maximum;

definitions changed to comply with No Surprises Act; and added or revised provisions for ancillary services, authorized representative, certificate of insurance, clean claim, continuing care patient, covered person, covered services, deductible, dependent, domestic partner, eligible employee, emergency facility, emergency medical condition, emergency services, domestic partner, expenses incurred, independent freestanding emergency department, maximum allowable charge, authorized administrator, medical necessary, negotiated rate, non-participating emergency facility, non-participating provider, other health care provider, participating emergency facility, participating facility, participating provider, percentage payable, explanation of plan, and explanation of policyholder.

Ms. Yee asked staff what plan year the Council's recommendation would be applicable to – 2026 or 2027. Ms. Sumida confirmed 2026.

Ms. Yee asked if the $100 deductible applied to any benefits because the HC-16 showed the deductible did not apply to any benefits. Ms. Ehrlich stated the deductible applied to the out-of-network providers, or "tier 3." Ms. Yee asked if the member was subject to balance billing. Ms. Ehrlich stated the out-of-network billing was subject to balance billing but not the in-network "tier 2."

Ms. Yee stated that the prevalent plan had a 90-day limit for physical and occupational therapy benefit but last month revised the 2026 plan by eliminating the limit. She asked for a discussion about recommending the plan remove the limit. Chair Pang agreed that the Council had previously discussed removing the limit. Mr. Graves agreed with recommending removal of the limit.

Ms. Yee stated the prevalent plan had changed its limit on cardiac rehabilitation to one program per qualifying event but this plan had a limit of eighteen 4-hour sessions. Ms. Ehrlich stated the limit could be removed.

Ms. Yee asked if antibiotics, regular and special diets, and general nursing were listed in the plan. Ms. Ehrlich stated they were not listed but could be added for clarity. Ms. Yee stated that would be good as the prevalent reimbursement plan had added it to the hospital and facility services section.

Chair Pang reviewed suggestions from the staff that the language from the HMO tier be replicated by KPIC for eligibility, enrollment when coverage is required due to termination of the HC-5, 90-day waiting period for enrollment, premium allocation, and other areas of clarification. Chair Pang asked about the emergency services and emergency care and Ms. Ehrlich stated the numbering had been revised. Ms. Ehrlich stated the definition of other health care provider had also been revised and the exclusion of services provided by a person residing in the covered person's home would be revised.

Ms. Sumida stated the Council had revised KFHP plans in March and had made recommendations on copayments and coinsurance applicability and asked if the Council would like to make the same recommendations on this plan. Mr. Hogan, Ms. Yee, Ms. Conlon, and Mr. Graves agreed.

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

1. The plan specifies antibiotics as a hospital benefit;
2. Regular and Special Diets are listed as a hospital benefit;
3. General Nursing is listed as a hospital benefit;
4. Within the KPIC tier, Physical, Occupational, and Speech Therapy limits are removed;
5. Within the KPIC tier, Cardiac Rehabilitation cap is removed;
6. Within the KPIC tier, language for Eligibility, Contributions, Waiting Period, Continuation of Coverage, Emergency Services, Definitions of Other Healthcare Providers, and General Limitations and Exclusions is consistent to the KFHP tier;
7. Within the KFHP tier, provide references on Telehealth regarding copayments and coinsurance applicability; and
8. Within the KFHP tier, 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.

KP Platinum Added Choice Plan

Ms. Murakami stated the KP Platinum Added Choice Plan started in 2022. KP Platinum Added Choice is a 7(a) 3-tier point-of-service (POS) health plan enhanced with ACA-mandated benefits. This plan is available to all employers and designed to accommodate small group employers looking to offer their employees the flexibility to choose where and how they receive care, with three main options: Kaiser Permanente providers, contracted providers, or any licensed non-contracted provider.

KFHP and KPIC informed the Department of benefit and language changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective upon the employer groups' contract renewal dates beginning January 1, 2026.

For the KFHP tier, Ms. Goya stated no benefit changes were made. She described the language changes: when multiple services were provided in the same visit, preventive services were covered at no charge and diagnostic therapeutic services were covered at the applicable cost share; for eligible members with ESRD, Kaiser offered a program to help with Medicare Part B premiums; hearing aid consultations were covered so the exclusion of the visit was removed; genetic testing and screening exclusion was revised to exclude services that were not medically necessary; capitalization of defined terms; used "covered" instead of "provided;" used "services" instead of "care;" clarified in the annual copay maximum section that any fitness programs did not contribute towards the out-of-pocket maximum; the Senior Advantage information under the Outstanding Balances section was removed because there was no such Senior Advantage plan; and the removal of the phrase "when federal law applies" from the description of emergency services. Ms. Goya stated that in response to the staff comment on the HC-17 form regarding the lack of reference to antibiotics, the EOC showed administered drugs, which included antibiotics, were covered under the sixteenth bullet of the inpatient hospital section. She stated that the plan will be revised to specifically call out antibiotics.

There were no questions from the Council.

For the KPIC tier, Ms. Ehrlich described the changes made as being the same as the previous plan. The only benefit change was well child care was increased from 80% to 100% coverage.

Language changes included: added an introduction including contact info for members with questions; added the PHCS Network as contracted providers; added a requirement for the members to obtain precertification when using a PHCS provider while other contracted providers would obtain precertification on the member's behalf; transplant language was revised to show transplants other than corneal and kidney were covered under the HMO tier; language changes to deductible, self-only deductible, and individual deductible; moved explanation of percentage payable, family deductible maximum, benefit specific deductible, cost shares, out-of-pocket maximum, self-only out-of-pocket, maximum individual only out-of-pocket, family out-of-pocket maximum, other maximum; and added or revised provisions for air ambulance, ancillary services, and authorized representative.

Ms. Ehrlich stated changes requested on the previous plan would be made to this plan including the eligibility section, the removal of the 90-day limit from physical and occupational therapy, premium allocation, and the coverage due to termination of the HC-5 form.

Mr. Hogan requested the recommendations on copayments and coinsurance applicability on the KFHP plans reviewed in March also be included on this plan.

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

1. The plan specifies antibiotics as a hospital benefit;
2. Regular and Special Diets are listed as a hospital benefit;
3. General Nursing is listed as a hospital benefit;
4. Within the KPIC tier, Physical, Occupational, and Speech Therapy limits are removed;
5. Within the KPIC tier, Cardiac Rehabilitation cap is removed;
6. Within the KFHP tier, PCP includes definition of "family practice, general practice, OB/GYN. internal medicine, or pediatrics";
7. Within the KPIC tier, language for Eligibility, Contributions, Waiting Period for entry to plan, Continuation of Coverage, Emergency Services, Definitions of Other Healthcare Providers, and General Limitations and Exclusions is consistent to the KFHP tier;
8. Within the KFHP tier, provide references on Telehealth regarding copayments and coinsurance applicability; and
9. Within the KFHP tier, provide references on Pregnancy Termination (Inpatient/Outpatient) services regarding copayments and coinsurance applicability.

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

<u>KP HI Platinum 0/15</u>

Ms. Murakami stated KP HI Platinum 0/15 plan started in 2023. This 7(a) HMO plan is based on the Kaiser Permanente Group Plan enhanced with ACA-mandated benefits and a lower office visit copay. This plan is available to all employers and designed to accommodate small group employers looking to offer their employees a rich, ACA-compliant HMO plan.

KFHP informed the Department of benefit and language changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective upon the employer groups' contract renewal dates beginning January 1, 2026.

Ms. Goya stated no benefit changes were made. She described the language changes: when multiple services were provided in the same visit, preventive services were covered at no charge and diagnostic therapeutic services were covered at the applicable cost share; for eligible members with ESRD, Kaiser offered a program to help with Medicare Part B premiums; hearing aid consultations were covered so the exclusion of the visit was removed; genetic testing and screening exclusion was revised to exclude services that were not medically necessary; capitalization of defined terms; used "covered" instead of "provided;" used "services" instead of "care;" and the product name of HMO Flex/Plus Services was updated. Ms. Goya stated that in response to the staff comment on the HC-17 form regarding the lack of reference to antibiotics, the EOC showed administered drugs, which included antibiotics, were covered under the sixteenth bullet of the inpatient hospital section. She stated that the plan would be revised to specifically call out antibiotics.

Ms. Sumida asked if the Council would be including recommendations on copayments and coinsurance applicability that had been made when KFHP plans were reviewed in March. Chair Pang confirmed the same recommendations were applicable.

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

1. The plan specifies antibiotics as a hospital benefit;
2. Provide references on Telehealth regarding copayments and coinsurance applicability;
3. Provide references on Pregnancy Termination (Inpatient/Outpatient) services regarding copayments and coinsurance applicability.

The motion was seconded by Ms. Conlon and carried by unanimous vote.

KP HI Platinum 0/20

Ms. Murakami stated KP HI Platinum 0/20 plan started in 2023. This 7(a) HMO plan is based on the Kaiser Permanente Group Plan enhanced with ACA-mandated benefits and a lower office visit copay. This plan is available to all employers and designed to accommodate small group employers looking to offer their employees an affordable, ACA-compliant HMO plan.

KFHP informed the Department of benefit and language changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective upon the employer groups' contract renewal dates beginning January 1, 2026.

Ms. Goya stated no benefit changes were made. She described the language changes: when multiple services were provided in the same visit, preventive services were covered at no charge and diagnostic therapeutic services were covered at the applicable cost share; for eligible members with ESRD, Kaiser offered a program to help with Medicare Part B premiums; hearing aid consultations were covered so the exclusion of the visit was removed; genetic testing and screening exclusion was revised to exclude services that were not medically necessary; capitalization of defined terms; used "covered" instead of "provided;" used "services" instead of "care;" and the product name of HMO Flex/Plus Services was updated. Ms. Goya stated that in response to the staff comment on the HC-17 form regarding the lack of reference to antibiotics, the EOC showed administered drugs, which included antibiotics, were covered under the

sixteenth bullet of the inpatient hospital section. She stated that the plan would be revised to specifically call out antibiotics.

A motion was made by Dr. McDonnell to recommend continued approval of the plan under Section 393-7(a) provided:

1. The plan specifies antibiotics as a hospital benefit;
2. PCP includes definition of "family practice, general practice, OB/GYN. internal medicine, or pediatrics";
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.

KP HI Platinum 0/20 Rx Ded

Ms. Murakami stated KP HI Platinum 0/20 Rx Ded plan started in 2023. This 7(a) HMO plan is based on the Kaiser Permanente Group Plan enhanced with ACA-mandated benefits. This plan is available to all employers and designed to accommodate small group employers looking to offer their employees the lowest costing, ACA-compliant HMO plan.

KFHP informed the Department of benefit and language changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective upon the employer groups' contract renewal dates beginning January 1, 2026.

Ms. Goya stated no benefit changes were made. She described the language changes: when multiple services were provided in the same visit, preventive services were covered at no charge and diagnostic therapeutic services were covered at the applicable cost share; for eligible members with ESRD, Kaiser offered a program to help with Medicare Part B premiums; hearing aid consultations were covered so the exclusion of the visit was removed; genetic testing and screening exclusion was revised to exclude services that were not medically necessary; capitalization of defined terms; used "covered" instead of "provided;" used "services" instead of "care;" and the product name of HMO Flex/Plus Services was updated. Ms. Goya stated that in response to the staff comment on the HC-17 form regarding the lack of reference to antibiotics, the EOC showed administered drugs, which included antibiotics, were covered under the sixteenth bullet of the inpatient hospital section. She stated that the plan would be revised to specifically call out antibiotics.

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

1. The plan specifies antibiotics as a hospital benefit;
2. PCP includes definition of "family practice, general practice, OB/GYN, internal medicine, or pediatrics";
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. Hogan and carried by unanimous vote.

KP HI Gold 300/20-B

Ms. Murakami stated KP HI Gold 300/20-B plan started in 2023. This is a 7(b) HMO plan with a deductible based on the Kaiser Permanente Group $20/20%/$300 Plan enhanced with ACA-mandated benefits. This plan is available to all employers and designed to accommodate small group employers looking to offer their employees an affordable, ACA-compliant 7(b) HMO plan with a deductible and committed to contributing at least the required amount towards dependent premiums.

KFHP informed the Department of benefit and language changes made to the plan and requested continued approval under Section 393-7(b). Changes would be effective upon the employer groups' contract renewal dates beginning January 1, 2026.

Ms. Goya stated no benefit changes were made. She described the language changes: when multiple services were provided in the same visit, preventive services were covered at no charge and diagnostic therapeutic services were covered at the applicable cost share; for eligible members with ESRD, Kaiser offered a program to help with Medicare Part B premiums; hearing aid consultations were covered so the exclusion of the visit was removed; genetic testing and screening exclusion was revised to exclude services that were not medically necessary; capitalization of defined terms; used "covered" instead of "provided;" used "services" instead of "care;" and the product name of HMO Flex/Plus Services was updated. Ms. Goya stated that in response to the staff comment on the HC-17 form regarding the lack of reference to antibiotics, the EOC showed administered drugs, which included antibiotics, were covered under the sixteenth bullet of the inpatient hospital section. She stated that the plan would be revised to specifically call out antibiotics.

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

1. The plan specifies antibiotics as a hospital benefit;
2. PCP includes definition of "family practice, general practice, OB/GYN, internal medicine, or pediatrics";
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 Ms. Conlon and carried by unanimous vote.

Chair Pang asked whether a student in elementary school who needed autism services would be eligible for any coverage under the Kaiser plan. Ms. Goya stated her understanding was that if the service were available in the school system, the child should seek those services. But Kaiser understood that the appointment may not be timely so Kaiser would provide services.

Chair Pang thanked the contractor for listening to the Council's feedback.

The next meeting was scheduled for July 22, 2025 at 1:30 p.m.

Adjournment

The meeting was adjourned at 2:50 p.m.