

HAWAII PREPAID HEALTH CARE ADVISORY COUNCIL
Disability Compensation Division
Department of Labor and Industrial Relations
State of Hawai'i

MINUTES OF MEETING

Date: August 7, 2025

Time: 1:30 p.m.

In-Person Meeting Location: Princess Ruth Ke'elikōlani Building
830 Punchbowl Street, Room 209
Honolulu, Hawai'i 96813

Virtual Participation: Virtual Videoconference Meeting – Teams Meeting
https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzqzYWJiYTYtNzA5NS00MmU4LTk1YTYtNzMyZDh0hZDRhZmQw%40thread.v2/0?context=%7b%22id%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22oid%22%3a%220e01c46d-3cbc-4950-be27-0bb63db71717%22%7d

Present: Bonnie Pang, Chairperson
Leocadia Conlon, Council Member
Wayne Graves, Council Member
Mike Hogan, Council Member
Lauren Yee, Council Member
Ami Aiona, Staff
Chelsea Fukunaga, Staff
Stacey Hiranaka, Staff
Jodie Murakami, Staff
Misty Sumida, Staff
Jung Yun (Kelly) Ha, Deputy Attorney General

Excused: John McDonnell, M.D.

Teams Guests: Anonymous
Austin Bunag
Pomaika'i Canaday
Stratford Goto
May W. Goya
Chad Hertzog
Kevin Lau
Kara Marlowe
Dana Marie K. Miranda
Selena Perdido
Paula M. Young
Theresa L. Young

Agenda: The agenda for this meeting was posted to the State electronic calendar as required by Hawai'i Revised Statutes ("HRS") section 92-7(b).

Call to Order: The meeting was called to order at 1:35 p.m., at which time quorum was established.

Chair Pang welcomed everyone to the meeting and proceeded with a roll call of the Council members. All Council members confirmed that they were present and those attending virtually confirmed they were alone.

Additions/
Revisions to
Agenda:

It was moved by Ms. Yee, seconded by Mr. Hogan, and unanimously carried to revise the agenda by amending agenda item "II. B." to read:

"B. Re-Vote on [~~July 22, 2025~~] **May 27, 2025**, Open Session Minutes"

Deleted language is bracketed and struck through. New language is bolded and underlined.

Chair Pang asked if there was any public comment regarding the next agenda item.

There were none.

Re-Vote on
May 27, 2025,
Open Session
Minutes:

Chair Pang requested a motion to re-approve the meeting minutes from the May 27, 2025 meeting. It was moved by Ms. Conlon, seconded by Mr. Hogan, and unanimously carried to re-approve the May 27, 2025 open session minutes with the following amendments:

- Corrections made to page eight of the May 27, 2025 meeting minutes, during the July 22, 2025 meeting will not be adopted. The original draft version of this section in the May 27, 2025 meeting minutes will remain as written, but will incorporate the amendments proposed at the July 22, 2025 meeting as footnotes to clarify the speaker's intent.¹

Re-Vote on
June 19, 2025,
Open Session
Minutes:

Chair Pang requested a motion to re-approve the meeting minutes from the June 19, 2025 meeting. It was moved by Mr. Graves, seconded by Mr. Hogan, and unanimously carried to re-approve the June 19, 2025 open session minutes with the following amendments:

- Corrections made to the June 19, 2025 minutes, during the July 22, 2025 meeting will not be adopted. The original draft version of the June 19, 2025 meeting minutes will remain as written, but will incorporate the amendments proposed at the July 22, 2025

¹ <https://labor.hawaii.gov/dcd/files/2025/08/2025.07.22-draft.pdf>

meeting as footnotes to clarify the speaker's intent.²

Approval of the
July 2, 2025,
Open Session
Minutes:

Chair Pang requested a motion approve the meeting minutes from the July 2, 2025 meeting. It was moved by Mr. Hogan, seconded by Mr. Graves, and unanimously carried to approve the July 2, 2025 open session minutes with the following amendments:

Page four, line four, should read:

"4. Within the KPIC tier, Physical [;] **and** Occupational, and [~~Speech-Therapy~~] limits are removed;"

Deleted language us bracketed and struck through. New language is bolded and underlined.

Review of
Plans:

A. Review of Plans

(i) Hawai'i Medical Services Association ("HMSA")

Ms. Hiranaka provided a brief overview of all HMSA plans.

a. HMSA's Small Business Preferred Provider Plan - A

Ms. Hiranaka reported that HMSA's Small Business Preferred Provider Plan-A was established in 2013 and is a 7(a) Preferred Provider Organization ("PPO") Plan. This plan is geared to help small business employers who are looking for a plan with similar coverage to the Preferred Provider Plan ("PPP") 2010 plan, which is generally a 90/10 plan. This plan uses HMSA's PPO network.

Ms. Marlowe informed the Department of changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective January 1, 2026.

In addition to other amendments made to this plan, Ms. Marlowe described one of the changes made to the plan; adding that it was made to all other plans submitted for Council review:

1. Intensive Cardiac Rehabilitation replaces the current benefit for Dr. Ornish's program for reversing heart disease;
 - a. Replacement expands Cardiac Rehabilitation to more programs; and
 - b. Removes lifetime limit.

² <https://labor.hawaii.gov/dcd/files/2025/08/2025.07.22-draft.pdf>

Chair Pang requested for clarification regarding the new definition, “immediate family” and the reason for its inclusion.

Ms. Marlowe responded that the definition of “immediate family” was updated to include specific examples of immediate family members.

Mr. Bunag clarified that this is an exclusion of providers providing service to plan members. Mr. Bunag added that this is not eligibility related; it is for providers providing services for family members.

Chair Pang asked, hypothetically, if an individual’s father is a physician, he would not be able to treat his child or his grandchild?

Mr. Bunag confirmed that Chair Pang’s understanding was correct, adding that the scenario Chair Pang described would not be covered under this plan.

Chair Pang thanked Mr. Bunag, adding that Hawaii has a culture of extended family who treat individuals who are now included in this new definition. She added that the definition is broader than what she understands immediate family to be.

Ms. Conlon commented that Hawaii is already facing health care workforce shortages. If someone ends up in the emergency room and it happens to be an individual’s mother or father, why would care be excluded. She added that treatment of family members who fall within this definition may not be outside of the laws of the state as far as scope of practice or Medicare billing law which insurers model their plans after. Ms. Conlon stated that she was concerned with the restrictive language of this definition.

Mr. Bunag replied that he would need to get back to the Council for the reasoning behind this change. He added that he suspects that the definition is aligning with federal guidelines.

Ms. Yee stated that when the Council reviewed the two HMSA Health Plan Hawaii plans she did not remember seeing that exclusion in Kaiser’s prevalent plan.

Chair Pang clarified that this definition was in the prior set of plans, when the Council approved the large group plans. She added that the definition was inadvertently overlooked. Chair Pang stated that it would be helpful for HMSA to provide additional information regarding this new definition. She thanked Mr. Bunag for following up on this question.

Chair Pang asked for clarification regarding the inclusion of pediatric vision and prescription drug benefits in the plan.

Mr. Bunag replied that the prior exclusion of these benefits was at the request of the Department of Labor and Industrial Relations (“DLIR”).

Previously, HMSA was requested to only include their medical benefits in their filings to the Council, even though HMSA's Affordable Care Act ("ACA") small business plans are required to include pediatric vision and dental to align with Centers for Medicare and Medicaid Services ("CMS") filing requirements.

Mr. Bunag explained further that HMSA had requested to include these benefits in this year's filing to remain consistent with what is filed to CMS and given to their members. Mr. Bunag added that this would also provide transparency to the Council as to what HMSA is offering from a complete perspective.

Chair Pang asked if there any further questions.

There were none.

Ms. Conlon commented that "physician assistant" was spelled incorrectly under the Occupational Therapy, Physical Therapy, and Speech Therapy section. She requested that the spelling be corrected to align with the definition in Hawaii Revised Statutes ("HRS") Chapter 453.

Chair Pang asked Mr. Bunag for clarification regarding Cardiac Rehabilitation on page 39. She noted that coverage is limited to one cardiac rehab or intensive cardiac rehab program per qualifying event and asked whether there was a limit on Cardiac Rehabilitation. She added that at previous meetings, the Council had determined that there were no limits on this benefit.

Mr. Bunag confirmed that there were no limits.

Chair Pang asked if there were any further questions.

There were none.

Chair Pang asked for a motion to recommend continued approval of the plan with conditions. It was moved by Ms. Yee, seconded by Ms. Conlon, and unanimously carried to recommend continued approval of the plan under Section 393-7(a) provided that the spelling of the title "Physician's Assistant" is corrected to "Physician Assistant" throughout the plan.

b. HMSA's Small Business CompMED-A

Ms. Hiranaka reported that HMSA's Small Business CompMED-A was established in 2013 and is a 7(a) Comprehensive plan. This plan is geared to help small business employers who are looking for a plan with similar coverage to the HMSA CompMED plan. Where participating provider coverage is lower than the PPP but in exchange, the

nonparticipating provider coverage is higher than the PPP. This plan uses the HMSA's PPO network.

Ms. Marlowe informed the Department of changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective January 1, 2026.

Ms. Marlowe stated the following revisions were submitted for Council review:

1. Intensive Cardiac Rehabilitation replaces the current benefit for Dr. Ornish's program for reversing heart disease;
 - a. Replacement expands Cardiac Rehabilitation to more programs; and
 - b. Removes lifetime limit;
2. Developmental Delay exclusion has been removed from Physical Therapy, Occupational Therapy, and Speech Therapy;
3. Benefit category, "Injections Other Than Self-Administered" renamed and expanded to "Medical Drugs";
4. Disposable Continuous Glucose Monitors and Insulin Pumps covered under the drug plan;
5. Immunizations covered under the drug plan; and
6. Modification of Orthodontic Services for Orofacial Anomalies to follow the amount set forth by the state law and published by Hawaii Insurance Commissioner.

Ms. Conlon commented that "physician assistant" was spelled incorrectly. She requested that the spelling be corrected to align with the definition in HRS Chapter 453.

Chair Pang asked for a motion to recommend continued approval of the plan with conditions. It was moved by Mr. Hogan, seconded by Ms. Yee, and unanimously carried to recommend continued approval of the plan under Section 393-7(a) provided that the spelling of the title "Physician's Assistant" is corrected to "Physician Assistant" throughout the plan.

c. HMSA's Small Business CompMED Choice-A

Ms. Hiranaka reported that HMSA's Small Business CompMED Choice-A was established 2015 and is a 7(a) Comprehensive plan. This plan is structured to help small business employers who are looking for a plan with similar coverage to the HMSA CompMED Choice plan, that

encourages prevention and early diagnosis and treatment. Participating provider coverage is lower than the PPP but in exchange, nonparticipating coverage is higher than the PPP. There is a slightly higher deductible of \$200 in exchange for a lower maximum out-of-pocket (“MOOP”) of \$2,200, outpatient labs covered at 100%, maternity covered at 100%, and office visits and outpatient labs not subject to the deductible. This plan uses HMSA’s PPO network.

Ms. Marlowe informed the Department of changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective January 1, 2026.

Ms. Marlowe outlined that the following revisions for Council approval:

1. Intensive Cardiac Rehabilitation replaces the current benefit for Dr. Ornish’s program for reversing heart disease;
 - a. Expands Cardiac Rehabilitation to more programs; and
 - b. Removes lifetime limit;
2. Developmental delay exclusion has been removed from Physical Therapy, Occupational Therapy, and Speech Therapy;
3. Benefit category, “Injections Other Than Self-Administered” renamed and expanded to “Medical Drugs”;
4. Disposable Continuous Glucose Monitors and Insulin Pumps covered under Drug Plan;
5. Immunizations covered under the Drug Plan;
6. Modification of Orthodontic Services for Orofacial Anomalies to follow the amount set forth by the state law and published by Hawaii Insurance Commissioner;
7. Alignment of the spelling of “Physician Assistant” with HRS Chapter 453; and
8. Revisiting the definition of “Immediate Family Members”.

Ms. Pang asked whether anyone had questions regarding this plan.

Ms. Yee stated that she had two concerns or recommendations and one request for more information for 2027. Ms. Yee added that these concerns were previously brought up at the June 19, 2025 meeting.

Ms. Yee's recommended that the deductible be removed from the emergency room participating ("par") and non-participating ("non-par") tiers to match the prevalent reimbursement plan. Her second recommendation was to change the cost share to none and remove the deductible from the Home Health benefit on the par tier of the CompMED Choice plan to match the prevalent reimbursement plan.

Chair Pang asked Mr. Bunag to clarify why there is a difference in that plan and explain the variance between the two plans.

Mr. Bunag replied that it would be difficult to explain the differences in benefits line by line. A different composition of the Council had approved that deductible because several trade-offs were made. Mr. Bunag acknowledged that the benefits will not always match line by line and conceded that HMSA may need to reassess how things are filed for 2027. Mr. Bunag affirmed that HMSA was willing to change its approach to meet the requests of the current composition of the Council and engage with DLIR staff regarding future expectations.

Chair Pang stated that it would be helpful for the Council to understand, holistically, the reasoning behind these trade-offs. She advised that HMSA should be prepared to have that conversation for the 2027 plans.

Mr. Bunag replied that he would need to do more research, adding that he was already compiling information in preparation for those discussion. He stated that a lot of these questions pertain to information that predates much of the staff at HMSA. Mr. Bunag stated that staff are currently going through their archives, researching how things were done in the past and compiling information in a comprehensive manner. Mr. Bunag added that they are cognizant that their decisions have far reaching consequences and are conscious of not disrupting the entire market while still meeting the spirit of HRS Chapter 393. He stated that HMSA is also balancing things from the Individual Consideration side from a rate perspective as well as being sensitive to what is occurring nationally and within Hawaii.

Chair Pang thanked Mr. Bunag for his explanation. She asked if there were any further questions.

Ms. Yee stated that she had a request for more information for the 2027 plans. She explained from a layperson's perspective, additional data regarding the reasoning behind certain trade-offs would assist in her understanding of the holistic approach in reviewing plans.

Ms. Yee stated that she will always hope for a benefit-by-benefit comparison because it is black and white and minimizes subjectivity. She added that this approach promotes simplicity, predictability, and consistency which then establishes fairness among contractors. Ms. Yee conceded that it appears to be direction of the Council to allow contractors to demonstrate that their legacy plans are equal to the

prevalent plan on a more holistic design level. Because of that, Ms. Yee stated that it would be helpful for contractors to provide a history of the plans for the next round of review.

Ms. Yee provided the following hypothetical example of data that would be helpful:

- If the CompMED Choice deductible is \$200 and the deductible is \$100 in the prevalent, it would be helpful for HMSA to point out that all services in the prevalent par tier are subject to the deductible whereas only 25% of the services in the CompMED Choice plan are subject to the deductible;
- Regarding the trade-off examples in the product summary that HMSA provided to staff and the Council:
 - The Par coverage in CompMED Choice is worse than the Preferred Provider Plan (“PPP”) or Prevalent Plan, but in exchange the nonparticipating coverage in the CompMED Choice is better than the PPP
 - A slightly higher deductible of \$200 is exchanged for a lower maximum out-of-pocket of \$2200;
 - Outpatient labs covered at 100%, maternity covered at 100%, and office visits and outpatient labs not subject to the deductible;

Ms. Yee stated that the examples HMSA provided were helpful in understanding the history and reasoning behind the tradeoffs, but she felt that they were subjective.

Ms. Yee requested for more data-driven information to assist in her understanding. For example:

- Par Tier Versus Non-Par Tier Trade-Off

If the Prevalent has 10% and the CompMED Choice has 20% of the par tier; it looks like the CompMED Choice is worse. However, if the prevalent is 30% and the CompMED Choice is 20%; the CompMED Choice appears better.

Par Tier Versus Non-Par Tier Trade-Off

<u>CompMED Choice Plan</u>		<u>Prevalent Plan</u>	
Par Tier	Non-Par Tier	Par Tier	Non-Par Tier
20%	20%	10%	30%

Ms. Yee stated that although it would appear that the CompMED Choice plan has a worse par tier as compared to the prevalent plan, it has a better non-par tier. She added that on the surface this seems to be a fair trade-off but wondered if that is substantively true. For example, if 95% of the members used the par tier and only 5% of the members used the non-par tier, this trade-off would not impact majority of the members. Ms. Yee stated that she wondered if that was a substantively, equally weighted trade-off.

Another example is the slightly higher deductible of \$200 is exchanged for a lower MOOP of \$2200 on the CompMED Choice plan. Ms. Yee asked whether the MOOP is a high-use benefit? She asked further whether the MOOP use was as high as the deductible? Ms. Yee explained that it would be helpful to have data that shows that only a small percentage of members actually trigger their deductible but almost 100% meet the MOOP, demonstrating that this is a significant and equally weighted trade-off.

Ms. Yee stated that it would be helpful if additional information was added that indicates a benefit is a high-use benefit and presenting data that supports that designation. This information would better illustrate that trade-offs between par tier and non-par tier percentages, deductibles and the MOOP, etc., are reasonable.

Ms. Yee inquired why HMSA was leading the way with their CompMED Choice-A as the higher deductible versus leading the way with their prevalent reimbursement plan with a slightly higher deductible. Ms. Yee added that she is not advocating for a higher or lower deductible, she was just curious as to the rationale behind this decision.

Mr. Bunag replied that HMSA is currently evaluating their portfolio and acknowledged that there are inconsistencies. He added that this plan was inherited and is considered a legacy plan, so HMSA is taking a hard look at how they can better structure their portfolio.

Chair Pang asked if Council members have any comments or questions.

There were none.

Chair Pang asked for a motion to recommend continued approval of the plan with conditions. It was moved by Ms. Conlon, seconded by Mr.

Graves, and unanimously carried to recommend continued approval of the plan under Section 393-7(a) provided that the spelling of the title “Physician’s Assistant” is corrected to “Physician Assistant” throughout the plan.

d. HMSA’s Small Business Health Plan Hawaii - Plus

Ms. Hiranaka reported that HMSA’s Small Business Health Plan Hawaii (“HPH”) Plus was established in 2013 and is a 7(a) Health Maintenance Organization (“HMO”) plan. This plan is geared to help small business employers who are looking for a plan with similar coverage to the HMSA’s HPH Plus Plan, which is a 90/10 HMO plan. This plan uses HMSA’S HMO network.

Ms. Marlowe informed the Department of changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective January 1, 2026:

Ms. Marlowe outlined the following revisions for Council approval:

1. Aligning Allergy Testing and Growth Hormone Therapy with the prevalent plan;
2. Intensive Cardiac Rehabilitation replaces the current benefit for Dr. Ornish’s program for reversing heart disease;
 - a. Expands Cardiac Rehabilitation to more programs; and
 - b. Removes lifetime limit;
3. Benefit category, “Injections Other Than Self-Administered” renamed and expanded to “Medical Drugs”;
4. Disposable Continuous Glucose Monitors and Insulin Pumps covered under Drug Plan;
5. Immunizations covered under the Drug Plan;
6. Modification of Orthodontic Services for Orofacial Anomalies to follow the amount set forth by the state law and published by Hawaii Insurance Commissioner;
7. Alignment of the spelling of “Physician Assistant” with HRS Chapter 453; and
8. Revisiting the definition of “Immediate Family Members”.

Chair Pang asked whether the Council had any questions regarding this plan.

Ms. Yee asked for confirmation of whether the office visits for Allergy Testing and Genetic Testing Counseling will be revised to match the \$20 in the prevalent plan.

Mr. Bunag replied that the Genetic Testing benefit in the prevalent plan and found that it ties to the Specialty Lab benefit, which is 20% coinsurance.

Ms. Marlowe clarified that Growth Hormone Therapy and Allergy Testing would be aligning with the Office Visit benefit; she added that Genetic Testing benefit would be separate.

Chair Pang asked for a motion to recommend continued approval of the plan with conditions. It was moved by Mr. Graves, seconded by Ms. Conlon, and unanimously carried to recommend continued approval of the plan under Section 393-7(a) provided:

1. Allergy Testing office visit copayment is capped at \$20;
2. Growth Hormone Therapy office visit copayment is capped at \$20; and
3. The spelling of the title "Physician's Assistant" is corrected to "Physician Assistant" throughout the plan.

e. HMSA's Small Business Health Plan Hawaii Platinum - A

Ms. Hiranaka reported HMSA's Small Business HPH Platinum-A was established in 2018 and is a 7(a) HMO plan. This plan is geared to help small business employers who are looking for a plan with similar coverage to HMSA's HPH-A plan, which is an 80/20 HMO plan. This plan uses HMSA's HMO network.

Ms. Marlowe informed the Department of changes made to the plan and requested continued approval under Section 393-7(a). Changes would be effective January 1, 2026.

1. Aligning Allergy Testing and Growth Hormone Therapy office visit with the prevalent plan.
2. Intensive Cardiac Rehabilitation replaces the current benefit for Dr. Ornish's program for reversing heart disease;
 - a. Expands Cardiac Rehabilitation to more programs; and
 - b. Removes lifetime limit;

3. Benefit category, "Injections Other Than Self-Administered" renamed and expanded to "Medical Drugs";
4. Disposable Continuous Glucose Monitors and Insulin Pumps covered under Drug Plan;
5. Immunizations covered under the Drug Plan;
6. Modification of Orthodontic Services for Orofacial Anomalies to follow the amount set forth by the state law and published by Hawaii Insurance Commissioner;
7. Alignment of the spelling of "Physician Assistant" with HRS Chapter 453; and
8. Revisiting the definition of "Immediate Family Members".

There were no additional concerns beyond those mentioned on previous plans.

Chair Pang asked for a motion to recommend continued approval of the plan with conditions. It was moved by Mr. Graves seconded by Ms. Yee, and unanimously carried to recommend continued approval of the plan under Section 393-7(a) provided:

1. Allergy Testing office visit copayment is capped at \$20;
2. Growth Hormone Therapy office visit copayment is capped at \$20; and
3. The spelling of the title "Physician's Assistant" is corrected to "Physician Assistant" throughout the plan.

Next Meeting:

To Be Determined

In-Person Meeting Location: Princess Ruth Ke'elikōlani Building
830 Punchbowl Street, Room 209
Honolulu, Hawai'i 96813

Virtual Videoconference Meeting – Teams Meeting

Adjournment:

The meeting adjourned at 2:28 p.m.

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Minutes approved as is.
Minutes approved with changes: