

PREPAID HEALTH CARE ADVISORY COUNCIL MEETING

State of Hawaii  
Department of Labor and Industrial Relations  
830 Punchbowl Street, Room 310  
Honolulu, HI 96813

July 22, 2019  
10:04 a.m. to 11:07 a.m.

Council members present

Mr. Paul Marx, Chair  
Ms. Laudra Eber  
Ms. Carol Shimomura  
Ms. Bonnie Pang

Council members not present

Dr. John McDonnell  
Mr. Michael Moss

DC Staff Present

Lois Iyomasa  
Misty Sumida  
JoAnn Vidinhar

Others Present

Todd Reese, Adventist Health Castle  
Sam Hoffman, Adventist Health Castle  
Dana Miranda, Kaiser  
Chad Hertzog, Kaiser  
Mitchell Lau, Kaiser  
Tammy Vitolo, HWMG  
Paul Kaiser, HWMG  
Paula Young, Kaiser  
Messay Sanderson, Kaiser  
Scott Murakami, DLIR  
Leonard Hoshijo, DLIR  
Adam Rosenberg, Attorney General's Office

With a quorum present, Chair Marx called the meeting to order at 10:04 a.m. He welcomed Ms. Pang to the Council.

APPROVAL OF MINUTES

Chair Marx asked if there were any changes to the circulated minutes of the April 25, 2019 meeting. There no changes to the minutes. A motion was made by Ms. Eber to approve the minutes as circulated. The motion was seconded by Ms. Shimomura and carried by unanimous vote.

## REVIEW OF PLANS

Avalon Care Center – Honolulu, LLC  
Self-funded

### Avalon Health Care, Inc. Employee Benefit Plan

This PPO medical plan has a \$0 individual deductible, 80% (PPO)/(NPO) benefit and \$2500 (all) out-of-pocket limit including the deductible and copayments.

Council discussed the exclusion of services due to error. Mr. Marx and Ms. Eber felt the exclusion was not allowable.

Council discussed the exclusion of non-emergency hospital admissions on a Friday or Saturday, which does not apply if surgery is being performed in 24 hours. Ms. Eber felt the non-emergency exclusion of coverage was allowable since providers and administrators know that the insurance carrier does not want to pay for two days when no procedure will be performed over the weekend.

Council discussed the exclusion due to provider error which would exclude any charge for care, supplies, treatment, and/or services that are required because of unreasonable provider error. Mr. Marx and Ms. Eber did not have concerns on this exclusion.

Ms. Eber felt the date the dependents coverage terminates according to page 11, item number 2 was unacceptable. The plan states dependents' coverage will terminate the date the employee's coverage terminates for any reason including death. She felt this was unacceptable and that the plan must cover until the end of the month and give time for the insured to convert or go on COBRA.

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

1. Eligibility requirement is in compliance with the PHC Act;
2. Pregnancy and complications of pregnancy are covered as any other illness for the employee and any enrolled dependents;
3. Urgent care copayment is capped at \$35;
4. Speech and physical therapy are covered for at least 30 visits each, per year;
5. Medically necessary surgical and non-surgical treatment of obesity is covered;
6. Exclusion of services, supplies, care or treatment arising from taking part in any activity made illegal due to the use of alcohol is removed;
7. Exclusion of services due to error is removed;
8. Exclusion of care and treatment of an injury or illness due to a hazardous hobby or activity is removed;
9. Exclusion of any charge for care, supplies, treatment, and or services for any injury or illness incurred while taking part or attempting to take part in an illegal activity is removed;
10. Exclusion of services, supplies, care or treatment for injury or illness due to

- voluntary taking of or being under the influence of any illegal drugs or medications is removed;
11. Exclusion of any charge for care, supplies, treatment, and/or services rendered by a member of the immediate family unit or person residing in the same household is modified to only exclude services provided by a parent, child, or spouse of the insured;
  12. Exclusion for care and treatment of pregnancy and complications of pregnancy for a dependent daughter is removed;
  13. Exclusion of care and treatment of an injury or illness resulting from activity that is found by a court or jury to be due to the plan participant's negligence is removed;
  14. Exclusion of charges for care, supplies, treatment and/or services for any condition, illness, injury or complication arising out of or in the course of employment, or an activity for wage or profit is replaced with a subrogation clause entitling the insurer a right to recovery;
  15. Exclusion of expenses in connection with an automobile accident for which benefits are payable or covered by mandatory no-fault automobile insurance or similar required personal injury insurance is replaced with a clause coordinating benefits with Motor Vehicle Insurance and/or Third Party Liability Rules entitling the insurer a right to recovery;
  16. Exclusion of services for a surrogate mother is modified to cover the insured who is a surrogate;
  17. Exclusion of benefits for any loss due to a declared or undeclared act of war is modified by adding the phrase "to the extent permitted by law";
  18. Dependent coverage continues until the end of the month when the employee's coverage is terminated;
  19. Full medical coverage is continued for a disabled employee for at least three months following the month of disability.

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

Trust Healthcare Consulting Services LLC  
CIGNA Health and Life Insurance Company



Open Access Plus Medical Benefits Hawaii Plan

This PPO plan has a \$100 (PPO)/\$100 (NPO) individual deductible, 90% (PPO)/70% (NPO) benefit and \$2500 out-of-pocket limit including the deductible and copayments.

Ms. Eber and Ms. Pang questioned the premium allocation for dependent coverage.

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

1. Outpatient in vitro fertilization expenses are covered for at least one attempt;
2. Exclusion of private Hospital rooms is removed to not conflict with the Benefit Highlights which list Private Room under Inpatient Hospital Facility Services; and

3. Premium allocation is in compliance with the PHC Act.

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

Kaman Industrial Technologies Corporation  
Self-funded



Hawaii Liberty II-OAP

This PPO plan has a \$300 (all) individual deductible, 80% (PPO)/70% (NPO) benefit and \$3000 (all) out-of-pocket limit including the deductible and copayments.

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

1. Exclusion of home health services and hospice services by a person who is a parent, child, or spouse who normally resides in your house or your Dependent's house is modified to exclude only home health services and hospice services by a parent, child, or spouse of the insured;
2. Exclusion of charges made by a Nurse, other than a member of your family or your Dependent's family, for professional nursing service is modified to exclude only charges made by a nurse who is a parent, child, or spouse of the insured;
3. Exclusion of charges made by any covered provider who is a member of your family or your Dependent's family is modified to exclude only charges made by a provider who is a parent, child, or spouse of the insured; and
4. Exclusion of medical treatment when payment is denied by a primary plan because treatment was received from a non-participating provider is removed.

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

The Money Source, Inc.  
CIGNA Health and Life Insurance Company



Open Access Plus Medical Benefits

This PPO plan has a \$100 (all) individual deductible, 90% (PPO)/70% (NPO) benefit and \$2500 (all) out-of-pocket limit including the deductible and copayments.

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

1. Exclusion of home health services and hospice services by a person who is a parent, child, or spouse who normally resides in your house or your Dependent's house is modified to exclude only home health services and hospice services by a parent, child, or spouse of the insured;
2. Exclusion of charges made by a Nurse, other than a member of your family or your Dependent's family, for professional nursing service is modified to exclude only charges made by a nurse who is a parent, child, or spouse of the insured;

3. Exclusion of charges made by any covered provider who is a member of your family or your Dependent's family is modified to exclude only charges made by a provider who is a parent, child, or spouse of the insured;
4. Exclusion of medical treatment when payment is denied by a primary plan because treatment was received from a non-participating provider is removed; and
5. At least 12 well-child (preventive) care visits are covered without a deductible for children under age 6 whether services are received in- or out-of-network.

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

Castle Medical Center  
Self-funded



Castle Medical Center Employee Medical Plan – Base

Castle Medical Center was represented by Todd Reese and Sam Hoffman.

This PPO plan has a \$350 (Adventist Health and PPO) individual deductible, 80% (Adventist Health)/70% (non-Adventist Health) benefit and \$600 out-of-pocket limit including the deductible and Adventist Health and PPO copayments. Non-Adventist Health benefits are payable only if approved and if the service is not available at Castle Medical Center/Adventist Health or is due to a privacy concern.

Mr. Hoffman provided background about Castle Medical Center, the Adventist Health's philosophy of wellness, and the migration of the plans from Adventist Health's other locations to Hawaii. This plan may be better suited for the person who is less interested in proactively maintaining wellness. The next plan to be reviewed is targeted to the person who is engaged in maintaining wellness. Both plans provide incentive for the person to seek care through Adventist Health to reduce plan costs, but the plans also have a privacy exemption, so the person could go outside Castle Medical Center.

Ms. Eber felt the limitation of providing services through Adventist Health system was not acceptable.

Ms. Eber was also concerned about the exclusion of abortion. Mr. Hoffman explained that the Seventh Day Adventist church view is that the woman should decide. The church is theologically and doctrinally against abortion for birth control but if the mother has health reasons or child is not viable or mother's life is in danger, abortion is allowed. She recalled that in the past a church may have been exempt from covering abortion but could not recall specifics. She suggested the employer could copy HMSA's language regarding abortion.

Mr. Hoffman clarified that the in-network and out-of-network expenses cross apply to the deductible and out-of-pocket limit.

Ms. Pang returned to the subject of abortion and stated that in her experience, a Catholic church excluded abortions and contraceptives from the coverage due to the religious beliefs. Ms. Eber stated that the employees covered by the plan may not all be Catholic and may not share the same beliefs. Ms. Paula Young of Kaiser informed the Council that contractor insurance plans will provide the benefit although the employer's plan document may not describe the benefit.

Mr. Marx suggested the Council recommend approval subject to the proposed revisions so the Council can see the final draft of the plan and if the abortion language is not acceptable, the Council can recommend disapproval of the plan.

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

1. The plan provides out-of-network benefits from non-Adventist Health (non-AH) providers/facilities that can be utilized without approval, regardless whether the service is available at Castle Medical Center/Adventist Health (AH);
2. Out-of-network benefit is at least 80% if less than 50% of the physicians/facilities in Hawaii participate in the AH network;
3. Annual individual deductible applies to in-network (AH) and out-of-network (non-AH) combined;
4. Annual individual out-of-pocket limit applies to in-network (AH) and out-of-network (non-AH) combined, including the deductible, co-insurance, and co-payments;
5. Eligibility requirement is in compliance with the PHC Act;
6. Required employee-share contributions is in compliance with the PHC Act;
7. Emergent inpatient hospitalization admissions where notification is not provided within 2 business days is at least a 70% benefit, with a maximum penalty of \$400/admission and, in the aggregate, \$1000/year;
8. In-network office visit copayment is capped at \$20;
9. Medically necessary surgical and non-surgical treatment of obesity are covered;
10. At least 12 well-child (preventive) care visits are covered without a deductible for children under age 6 whether services are received in- or out-of-network;
11. Exclusion of benefits for any condition, disability or expense sustained as a result of being engaged in a war or act of war which is declared or undeclared is modified by adding the phrase "to the extent permitted by law";
12. Exclusion of benefits any condition, disability or expense sustained as a result being engaged in an intentional or accidental atomic explosion, whether in peacetime or wartime is removed;
13. Exclusion of coverage for injuries sustained in an automobile accident is replaced with a clause coordinating benefits with Motor Vehicle Insurance and/or Third Party Liability Rules, entitling the insurer a right to recovery;
14. Exclusion of coverage for injuries sustained while driving under the influence of alcohol is removed;
15. Exclusion of coverage for injuries caused as a result of an automobile accident where a seat belt was not worn is removed;
16. Exclusion of coverage for any condition, disability or expense sustained as a result of illegal activity is removed;

17. Exclusion of coverage for any condition, disability or expense sustained as a result of participation in a civil revolution or riot is removed;
18. Exclusion of expenses necessitated by self-inflicted injury that were not sustained due to mental health condition is removed;
19. Exclusion of benefits for services provided by the insured or a member of the insured's immediate family is modified to only exclude services provided by a parent, child, or spouse of the insured;
20. Exclusion of services relating to surrogate parenting is modified to cover the insured who is a surrogate;
21. Exclusion of services or supplies for treatment of illness or injury arising out of or in the course of employment or self-employment is replaced with a subrogation clause entitling the insurer a right to recovery;
22. Exclusion of abortion is removed; and
23. Full medical coverage is continued for a disabled employee for at least three months following the month of disability.

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

#### Castle Medical Center Employee Medical Plan - Engaged

This PPO plan has a \$0 (Adventist Health facility)/ \$100 (Adventist Health physicians)/ \$200 (PPO) deductible, 100% (Adventist Health)/70% (PPO) benefit, and out-of-pocket limit of \$0 (Adventist Health facility)/\$300 (Adventist Health physicians)/\$1500 (Adventist Health/PPO) including the deductible and copayments. PPO benefits are payable only if approved and if the service is not available at Castle Medical Center/Adventist Health or is due to a privacy concern.

Ms. Eber inquired about in vivo analysis of colorectal polyps and if the exclusion of this procedure also would cause colonoscopies to be excluded. Mr. Hoffman explained this is preventative care to analyze polyps and the exclusion does not exclude colonoscopies and removal of polyps.

Council discussed the bariatric management program and the limitation to specified facilities and the copayment for second surgeries. Mr. Hoffman stated the plan covers bariatric surgery only at centers of excellence and the locations specified in the plan are centers of excellence. Ms. Pang believed the prevalent plan limited bariatric surgery to Queens. Ms. Shimomura asked for the cost of the procedure and Mr. Hoffman estimated the cost was \$50,000. Ms. Paula Young of Kaiser stated Kaiser covers bariatric procedures, but the plan does not limit the number of procedures because it is evaluated based on medical necessity. Mr. Chad Hertzog of Kaiser felt HMSA's coverage was similar and may be publicly available online. Ms. Eber felt that if the procedure was medically necessary, the copayment was not acceptable.

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

1. The plan provides out-of-network benefits from non-Adventist Health (non-AH) providers/facilities that can be utilized without approval, regardless whether the service is available at Castle Medical Center/Adventist Health (AH);

2. Out-of-network benefit is at least 80% if less than 50% of the physicians/facilities in Hawaii participate in the AH network;
3. Annual individual deductible applies to in-network (AH) and out-of-network (non-AH) combined;
4. Annual individual out-of-pocket limit is capped at \$3,000 and applies to in-network (AH) and out-of-network (non-AH) combined, including the deductible, co-insurance, and co-payments;
5. Eligibility requirement is in compliance with the PHC Act;
6. Required employee-share contributions is in compliance with the PHC Act;
7. Exclusion of benefits for any condition, disability or expense sustained as a result of being engaged in a war or act of war which is declared or undeclared is modified by adding the phrase “to the extent permitted by law”;
8. Exclusion of benefits any condition, disability or expense sustained as a result being engaged in an intentional or accidental atomic explosion, whether in peacetime or wartime is removed;
9. Exclusion of coverage for injuries sustained in an automobile accident is replaced with a clause coordinating benefits with Motor Vehicle Insurance and/or Third Party Liability Rules, entitling the insurer a right to recovery;
10. Exclusion of coverage for injuries sustained while driving under the influence of alcohol is removed;
11. Exclusion of coverage for injuries caused as a result of an automobile accident where a seat belt was not worn is removed;
12. Exclusion of coverage for any condition, disability or expense sustained as a result of illegal activity is removed;
13. Exclusion of coverage for any condition, disability or expense sustained as a result of participation in a civil revolution or riot is removed;
14. Exclusion of expenses necessitated by self-inflicted injury that were not sustained due to mental health condition is removed;
15. Exclusion of benefits for services provided by the insured or a member of the insured’s immediate is modified to only exclude services provided by a parent, child, or spouse of the insured;
16. Exclusion of services relating to surrogate parenting is modified to cover the insured who is a surrogate;
17. Exclusion of services or supplies for treatment of illness or injury arising out of or in the course of employment or self-employment is replaced with a subrogation clause entitling the insurer a right to recovery;
18. Bariatric Management Program copayment for second surgery is removed;
19. Exclusion of abortion is removed; and
20. Full medical coverage is continued for a disabled employee for at least three months following the month of disability.



Cape Environmental Mgmt, Inc. [REDACTED]  
Self-funded

Open Access Plus Medical Benefits Hawaii Plan

This PPO plan has a \$300 (all) individual deductible, 90% (PPO)/70% (NPO) benefit and \$300 (all) out-of-pocket limit including the deductible and copayments.

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

1. Covered expenses/charges made by a Nurse, other than a member of your family or your Dependent's family is modified to only exclude services provided by a parent, child or spouse of the insured;
2. Private Hospital rooms are covered if medically necessary; and
3. Exclusion for or in conjunction with an Injury or Sickness arising out of, or in the course of, any employment for wage or profit is replaced with a subrogation clause entitling the insurer a right to recovery.

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

MITRE Corporation [REDACTED]  
Self-funded

Aetna Choice PO II-1100/80 Plan (Flex Care PPO) for Hawaii Population

This PPO plan has a \$100 (NPO) individual deductible, 100% (PPO)/ 80% (NPO) benefit, and \$1000 (all) out-of-pocket including the deductible and copayments.

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

1. Description of how the deductible works is modified to explain the deductible must be met before, not after, the copayment or coinsurance benefit is applicable;
2. Blood and blood products are covered;
3. Exclusion of services provided by a family member is modified to exclude only services provided by a parent, child, or spouse of the insured;
4. Exclusion of any care in a hospital or other facility owned or operated by any federal, state or other governmental entity is removed;
5. Exclusion of benefits for any services and supplies related to births occurring in the home or in a place not licensed to perform deliveries is modified to cover such services and supplies in emergency situations;
6. Exclusion of benefits for any illness or injury related to employment, even if the right to payment from the employer, workers' compensation, or occupational illness or similar program is waived is replaced with a subrogation clause entitling the insurer a right to recovery;
7. Outpatient infusion therapy is covered;

8. Late enrollment is permitted when coverage is required due to a termination of the Form HC-5 waiver; and
9. Full medical coverage is continued for a disabled employee for at least three months following the month of disability even if employment has not ended because of the disability.

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

Environmental Defense Fund, Inc.  
Self-funded



Open Access Plus Medical Benefits Hawaii Plan

This PPO plan has a \$300 (all) individual deductible, 90% (PPO)/70% (NPO) benefit, and \$3000 (all) out-of-pocket limit including the deductible and copayments.

A motion was made by Ms. Pang to recommend approval under Section 393-7(b) provided:

1. Covered services provided by a Nurse, other than a member of your family or your Dependent's family is modified to only exclude services provided by a parent, child, or spouse of the insured;
2. Exclusion of benefits provided under Medicare is modified to exclude duplicate benefits paid by Medicare to allow Coordination of Benefits according to the secondary payee rules set forth in the plan; and
3. Exclusion for services performed by a member of the covered person's immediate family is modified to only services performed by a parent, child, or spouse of the insured.

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

ADJOURNMENT

Mr. Marx adjourned the meeting at 11:07 a.m.