

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

June 9, 2023
1:33 p.m. to 2:40 p.m.

Council members present

Mr. Paul Marx, Chair
Mr. Mike Hogan (2:00pm)
Ms. Bonnie Pang
Dr. John McDonnell
Ms. Winona White

Council members absent

Mr. Derek Kanehira

DC Staff Present

Lois Iyomasa
Misty Sumida
Adam Rosenberg (Deputy Attorney General)

With a quorum present, Chair Marx called the meeting to order at 1:33 p.m.

Chair Marx announced that Carol Shimomura had left the Council and thanked her for her service.

Approval of minutes

Chair Marx asked if there were any changes to the circulated minutes of the September 28, 2022 meeting. There were no changes. A motion was made by Ms. Pang to approve the September 28, 2022 meeting minutes as circulated. The motion was seconded by Ms. White and carried by unanimous vote.

Review of plans

Kaiser Foundation Health Plan, Inc.

Kaiser was represented by Ms. May Goya and Mr. Chad Hertzog.

Chair Marx deviated from the order of the agenda to acknowledge the prevalent plan, then returned to the order of the agenda.

Kaiser Permanente Group Plan

Kaiser informed the Department of changes and clarification made to the plan that would be effective upon the employer group's contract renewal date beginning January 1, 2024. There were no questions, comments, or concerns regarding the plan.

Kaiser Permanente Group \$500/\$30/30% Plan

Kaiser requested approval of the new plan under Section 393-7(b). The plan would be effective upon the employer group's contract renewal date beginning January 1, 2024.

Chair Marx noted that the Department's review of the plan showed the plan did not meet the benefit levels in the prevalent plan such as a 70% benefit where the prevalent plan has an 80% benefit. He inquired why the plan was submitted. Mr. Herztog's understanding was that contractors could request approval under 393-7(b) for plans leaner than the prevalent plan. He stated that employers had asked for lower-cost plans. This plan would have a \$500 deductible, \$3500 out-of-pocket maximum, a 70% benefit, and a \$30 copayment. He noted that Kaiser has a 7(b) plan with a \$300 deductible and that the \$350 deductible on HMSA's 7(b) plan had not been increased for some time. He stated he also requested the incremental increase to raise the out-of-pocket maximum from \$3000 to \$3500.

Chair Marx asked Ms. Iyomasa to provide guidance on the Department's review and Kaiser's comments so he could be sure that the action taken by the Council are in line with the long view and the Department's review of the plans. Ms. Iyomasa confirmed that the issue was raised before and that plans go through the vetting process for proposed increases. She was not sure that had been done at this point so was unsure about recommending approval of this plan.

Chair Marx agreed with Ms. Iyomasa but felt that as time went on, adjustments would need to be made. Ms. White felt some increases could be vetted further but questioned this process for getting it done and felt it should not be done in this meeting. Ms. Pang agreed.

Mr. Austin Bunag of HMSA suggested that to be fair to all contractors, the Department communicate changes to the contractors in advance regarding what is acceptable in 7(b) plans. He also suggested timing changes to minimum requirements for later in the year, around September or October so that carrier could implement in the future. He felt that basing incremental changes to the deductible or out-of-pocket maximum on inflation made sense. Changes to coinsurance would be a major change for Hawaii's population. The high level of benefits has helped contribute to the general wellness of Hawaii's population, which is what the Council typically tried to protect.

Dr. McDonnell agreed with the statement and Ms. White but, if he understood the proposal correctly, he was concerned with the 70% participation of physicians.

Mr. Hogan joined the meeting.

A motion was made by Dr. McDonnell to defer a recommendation on the plan. The motion was seconded by Ms. White and carried by unanimous vote.

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

Ms. Goya gave an overview of the changes to the plan including the addition of a 50% benefit after a dependent child's tenth outpatient visit outside the service area; the addition of a 50% benefit after a dependent child's tenth basic lab, imaging, and testing outside the service area; the addition of a 50% benefit after a dependent child's tenth additional services and drug prescriptions outside the service area; a language change related to the dependent child coverage outside the service area; the removal of the prostate specific antigen screening information from the Special Services for Men section as the information was duplicative of the preventive section; changes to the description of rehabilitation services including pulmonary and cardiac; and language changes to comply with the Federal No Surprises Act to cover post stabilization care for emergency services. An additional change that was not listed in the distributed documents was made to comply with the Insurance Commissioner's increase the maximum benefit for orthodontic care for treatment of orofacial anomalies to \$6,898.

Dr. McDonnell appreciated that Kaiser added coverage for more than ten prescriptions for dependent children outside the service area because it was an exercise in futility to treat a patient when the patient could not afford the treatment and did not take the medication.

A motion was made by Dr. McDonnell to recommend continued approval of the plan under Section 393-7(b). The motion was seconded by Ms. Pang and carried by unanimous vote.

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

Ms. Goya explained the changes to this plan were identical to the previous plan but the benefits in this plan were subject to the \$300 deductible. Ms. Goya confirmed the maximum benefit for orthodontic treatment of orofacial would increase on this plan and that no change was made to the current deductible.

In light of the 50% coinsurance for self-administered drugs after the tenth prescription and the high cost of some self-administered drugs, Dr. McDonnell inquired about whether dependent children outside the service area could have the drugs administered in an office instead of self-administering especially for newer drugs that could cost thousands of dollars. Dr. McDonnell also stated that some patients were unable to self-administer drugs. Ms. Goya replied that if Kaiser's guidelines deemed the drug safe to self-administer, it would fall under the home drug coverage, not under the clinician visit. She also confirmed that the physician should take into consideration the patient's ability to self-administer. Mr. Hertzog added that the first ten prescriptions are covered with a 20% coinsurance and that it was rare to have more than ten prescriptions. Currently the plan did not have coverage after the tenth prescription so this change would be an enhancement.

A motion was made by Dr. McDonnell to recommend continued approval of the plan under Section 393-7(b). The motion was seconded by Mr. Hogan and carried by unanimous vote.

The Queen's Health Systems
Self-funded



Choice Plan

The plan was most recently granted continued approval administratively under Section 393-7(b) after the employer submitted changes effective January 1, 2020. In October 2022, the employer submitted changes to its plan effective January 1, 2023 and requested continued approval of the plan under Section 393-7(b).

Mr. Hogan asked if the Department's review of self-funded plans was the same as the review of fully insured plan and if the Department checked for changes even if the employer said it was the same. Ms. Iyomasa confirmed it was the same type of review. Mr. Hogan noted that a self-funded plan would also have a financial solvency component and asked if the Council was reviewing only the benefit component. Chair Marx confirmed that the financial information was not presented to the Council and the Council's recommendation would be based only on the information presented.

A motion was made by Mr. Hogan to recommend continued approval of the plan under Section 393-7(b). The motion was seconded by Ms. Pang and carried by unanimous vote.

Comprehensive Plan

The plan was most recently granted continued approval administratively under Section 393-7(b) after the employer submitted changes effective January 1, 2020. In October 2022, the employer submitted changes to its plan effective January 1, 2023 and requested continued approval of the plan under Section 393-7(b).

There were no questions or comments on the plan. A motion was made by Ms. Pang to recommend continued approval of the plan under Section 393-7(b). The motion was seconded by Dr. McDonnell and carried by unanimous vote.

Adjournment

Meeting adjourned at 2:40 p.m. The next meetings are tentatively scheduled for June 26, 2023 and August 10, 2023.