

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 26, 2023
1:32 p.m. to 2:27 p.m.

Council members present

Mr. Mike Hogan
Ms. Bonnie Pang
Dr. John McDonnell
Ms. Winona White
Mr. Derek Kanehira

Council members absent

Mr. Paul Marx, Chair

DC Staff Present

Lois Iyomasa
Misty Sumida
Adam Rosenberg (Deputy Attorney General)

With a quorum present, Ms. Pang called the meeting to order at 1:32 p.m.

Approval of minutes

Ms. Pang asked if there were any changes to the circulated minutes of the June 9, 2023 meeting. There were no changes. A motion was made by Mr. Hogan to approve the June 9, 2023 meeting minutes as circulated. The motion was seconded by Mr. Kanehira and carried by unanimous vote.

Review of plans

University Health Alliance (UHA)

UHA 600

UHA was represented by Ms. Allyson Estrella.

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

Ms. Estrella explained the changes to the plan included an increase to the maximum benefit for orthodontic treatment for orofacial anomalies and language changes related to the No Surprises Act, the plan's service area, Gender Affirming Treatment, hospice, and filing claims. The same changes were made to all the UHA plans submitted for review.

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

UHA 600-S

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

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

UHA 600-T

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

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

UHA 3000

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

Mr. Kanehira asked for clarification about the 7(a) approval because the plan's 80% benefit was less than the prevalent plan's 90% benefit. Ms. Estrella explained that the plan was modeled after the HMSA CompMED plan. She confirmed that for Affordable Care Act (ACA) purposes the actuarial value was lower, but the plan was still considered a platinum-level plan.

Mr. Hogan provided historical context by explaining that HMSA's Plan 4 had previously been the prevalent plan, then later the plan with the 90% benefit became the prevalent plan. He suggested UHA submit verification showing the plan that was submitted in its original form met the prevalent plan at the time. Dr. McDonnell agreed with Mr. Hogan's statements. Mr. Hogan suggested that in response to the question about actuarial equivalency, UHA provide confirmation of the plan as it was when it was first approved as 7(a) plan. Ms. Pang added that some areas of UHA 3000 were richer than UHA 600, so that could have been the reason the plan had been approved as a 7(a) plan. Ms. Estrella said UHA could forward a copy of the original submission of the plan to the Council.

A motion was made by Mr. Kanehira to recommend continued approval of the plan under Section 393-7(a) subject to confirmation of the historical documentation of the plan as it was originally approved. The motion was seconded by Mr. Hogan and carried by unanimous vote.

UHA 3000-S

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

A motion was made by Dr. McDonnell to recommend continued approval of the plan under Section 393-7(a) subject to confirmation of the historical documentation of the plan as it was originally approved. The motion was seconded by Ms. White and carried by unanimous vote.

UHA 3000-T

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

A motion was made by Mr. Kanehira to recommend continued approval of the plan under Section 393-7(a) subject to confirmation of the historical documentation of the plan as it was originally approved. The motion was seconded by Dr. McDonnell and carried by unanimous vote.

UHA 3000 90/10 Preferred

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

A motion was made by Mr. Kanehira to recommend continued approval of the plan under Section 393-7(a) subject to confirmation of the historical documentation of the plan as it was originally approved. The motion was seconded by Dr. McDonnell and carried by unanimous vote.

One Plan

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

A motion was made by Mr. Hogan to recommend continued approval of the plan under Section 393-7(a) subject to confirmation of the historical documentation of the plan as it was originally approved. The motion was seconded by Ms. White and carried by unanimous vote.

One Plan-T

UHA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

A motion was made by Mr. Kanehira to recommend continued approval of the plan under Section 393-7(a) subject to confirmation of the historical documentation of the plan as it was originally approved. The motion was seconded by Dr. McDonnell and carried by unanimous vote.

Hawaii Management Alliance Association (HMAA)

Option Plus One

HMAA was represented by Mr. Paul Kaiser, Ms. Denise Dias, Ms. Tammy Vitolo, and Mr. Eleu Kane of HWMG. HMAA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

Mr. Kaiser stated the same changes were made to the six plans submitted by HMAA. The changes related to updating HMAA's address, the No Surprises Act, artificial insemination terminology change, hair loss, the Gender Affirming Treatment Act, and increasing the maximum benefit for orthodontic treatment for orofacial anomalies.

Mr. Hogan requested an explanation of the eligibility requirement for coverage which was noted as being the same as required under the PHC Act "unless Federal ACA ALE Shared Responsibility eligibility applies." Mr. Kaiser and Ms. Vitolo explained that in some situations such as when a large employee rehires an employee, the employee may qualify for coverage under the ACA before the employee qualifies for coverage under the PHC Act because the ACA allows the large employer to use a look-back period to determine when the employee is eligible for coverage. HMAA covers the employee under the better of the two acts.

Mr. Kanehira inquired about the actuarial equivalency of the benefits because several of the benefits were different from the prevalent plan. An example was the hospital room and board which had a non-participating benefit of 80% and a copayment of \$200 per first confinement. The prevalent plan benefit was 70% without any additional copayment. His concern was whether the 80% benefit and \$200 copayment had been vetted in the past. He listed other benefits that also did not match the prevalent plan.

Mr. Kaiser responded that he was unable to answer regarding the actuarial value but it had not been the benchmark used by the Council in the past. He felt that the Council had primarily looked at benefits line-by-line before using its subjective decision making. He was in support of the actuarial approach but that had not been the approach in the past. HMAA had been relying on the Department to identify anomalies that needed to be addressed. During the period he had been involved, the benefit had not been an issue.

Ms. Pang suggested that to be consistent with the action taken on UHA's plans, the Council could ask for additional information. Mr. Kaiser asked for clarification on whether he had to provide info showing the plan had the same actuarial value as the prevalent plan and if the Department could explain the criteria used. Ms. Sumida confirmed that previously actuarial values were not evaluated.

Mr. Hogan suggested if a plan was recommended for continued 7(a) approval when the plan's benefits did not match prevalent plan, the Department or contractor should keep a record of when the plan had been initially approved. Mr. Kanehira also suggested the form include a date the benefit was approved if the benefit was less than the prevalent plan. This would indicate to the Council that the benefit had been previously approved. Assuming there were no changes to the benefits, he would find it acceptable to recommend continued approval of the HMAA and UHA plan without additional documentation. Ms. White stated the suggested changes would be helpful going forward. It would also be helpful to log the changes in the form so the Council could see the changes, the dates of the change, and the required level of benefits.

Mr. Kaiser confirmed that only the changes he described had been made, no other changes to benefits were made. He also stated the \$200 copayment per confinement was part of the plan when it was first approved in 1996.

Ms. Pang summarized that UHA and HMAA did not need to provide additional documentation but it would be helpful to have a reference document so the Council could see when the plans had been approved and the changes made since the original approval.

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

Option Plus Two

HMAA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

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

Comprehensive Plus Plan

HMAA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

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

90/10 PPO Plan

HMAA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(a).

The changes discussed previously were made to this plan.

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

PPO Plan

HMAA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(b).

The changes discussed previously were made to this plan.

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. Kanehira and carried by unanimous vote.

Executive Plan Option (EPO)

HMAA informed the Department of changes made to the plan that would be effective January 1, 2024 and requested continued approval of the plan under Section 393-7(b).

The changes discussed previously were made to this plan.

A motion was made by Mr. Kanehira 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 Council deviated from the agenda to reevaluate the actions taken on the UHA plans discussed earlier in the meeting.

University Health Alliance (UHA)

UHA 3000

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

UHA 3000-S

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. White and carried by unanimous vote.

UHA 3000-T

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

UHA 3000 90/10 Preferred

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. Kanehira and carried by unanimous vote.

One Plan

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

One Plan-T

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. White and carried by unanimous vote.

Adjournment

Ms. Pang thanked the contactors for their participation and stated the Council looks forward to the historical documentation.

Ms. Pang thanked the Council for participating and adjourned the meeting at 2:27 p.m. The next meeting is tentatively scheduled for August 10, 2023.