



Final Investigative Report Cover Page

Case No.:	1600225	Complaint Received Date:	02/25/2019
Related Case No.:		Final Report Date:	05/31/2019
Subject Name:	Kaiser Foundation Health Plan of Washington		
Address:	601 Union St Suite 3100, Seattle, WA 98101		
Phone:	(888) 901-4636		
Email:			
WAOIC # / Status	554 / Active		
Representative Name:	None		
Address:			
Phone:			
Email:			
Complainant's Name:	San Juan County Board of Health/Mark Tompkins		
Address:	145 Rhone, Friday Harbor, WA 98250		
Phone:	(360) 378-4474		
Email:	MarkT@sanjuanco.com		
Insured's Name:	Patient name		
Address:			
Phone:	(360) 298-5191		
Email:	djanemcc@gmail.com		
Allegation(s):	Entity is improperly denying claims and requiring pre-authorization for emergency air transport for San Juan County residents.		
Investigative Findings:	Unsubstantiated		
Potential Violation(s):	RCW 48.30.010(1) and (2) and RCW 48.43.093(1)(a)		
Investigator:	Randi Osberg		
Approved by:	Tyler Robbins		

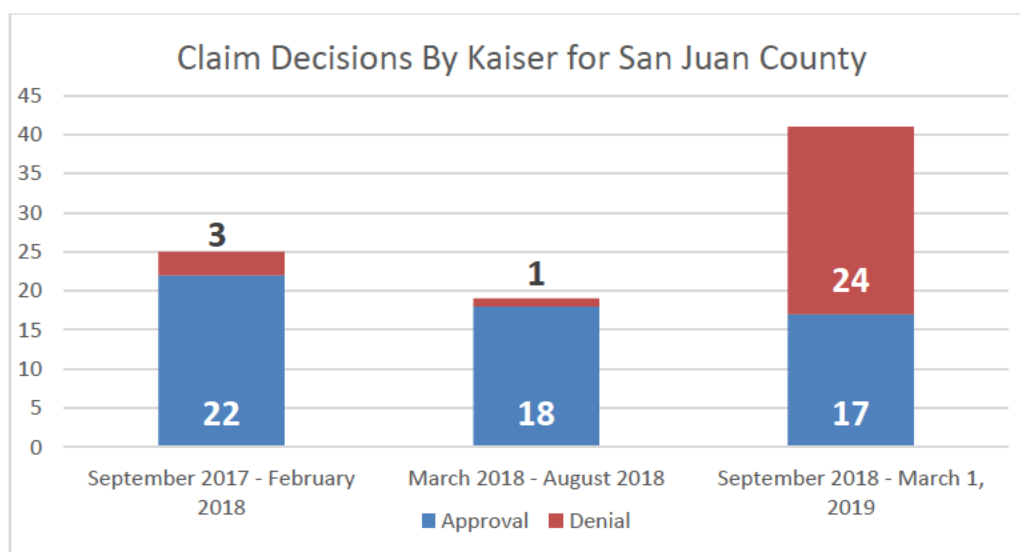


Final Investigative Report Executive Summary

The OIC's investigation determined the following:

1. The allegation that Kaiser Foundation Health Plan of Washington ("KFHPWA") is unfairly denying claims for emergency air transports off the San Juan Islands, in violation of RCW 48.30.010(1), is unsubstantiated.
2. The allegation that KFHPWA has changed its policy to require preauthorization for emergency air transport out of the hospital setting, in violation of RCW 48.43.093(1)(a), is unsubstantiated.

OIC created a chart based on the data collected from KFHPWA for denials and approvals of claims for emergency air transports for San Juan County residents between 09/01/2017 and 03/01/2019:



The average number of claims received by KFHPWA between 09/2017 and 08/2018 was 22 claims in each six month period of time. From 09/2018 and 03/01/2019, KFHPWA received 41

claims, an increase in average claims by approximately 86%. The percent of denials between 09/01/2018 and 03/01/2019 was approximately 58% of the 41 claims for the time period. This is compared to approximately 12% for 09/2017 through 02/2018, and approximately 5% for 03/2018 through 08/2018. Based on the chart above, the average number of KFHPWA claims and denials increased in September 2018.

OIC analyzed all claims between 09/2018 and 03/01/2019 to determine whether KFHPWA improperly denied coverage, using (1) the KFHPWA Flex Bronze-19 plan as a representative policy, (2) KFHPWA's Air Ambulance Clinical Review Criteria, and (3) the consumer's claim documents, Explanation of Benefits and (if applicable) respective denial letters. This analysis determined the following:

- Of the 17 approvals, two claims did not meet KFHPWA's coverage requirements but were approved.
- Of the 20 denials by KFHPWA, six claims met KFHPWA's coverage requirements but were denied. The remainder of the denials were proper.
- OIC's Notification of Investigation prompted KFHPWA to conduct an administrative review of all claim denials, and the company overturned five of the six claims which were found should have been approvals based on the analysis. The insureds in these five claims had at least one of the two appeal options available to them (appeal and IRO) and some had both options available. The sixth claim was approved on an appeal requested by the insured.

KFHPWA provided the 2019 Individual & Family Flex Bronze Medical Evidence of Coverage. The coverage requirements for emergency air transport did not require pre-authorization. Furthermore, the 2018 version of the same document indicated there was no requirement for preauthorization for emergency air transport.

Allegation #1 is unsubstantiated because evidence indicates KFHPWA denied claims in accordance with its clinical review criteria, because the claims did not meet coverage requirements. **Allegation #2** is unsubstantiated because KFHPWA's coverage documents did not require preauthorization for emergency air transports.



Final Investigative Report Investigative Findings

Allegation

The Regulatory Investigations Unit (“RIU”), Office of the Insurance Commissioner (“OIC”) opened this investigation when OIC’s Consumer Advocacy Program (“CAP”) received three complaints, (1) from the San Juan County Board of Health (“SJCBH”) (Exhibit 1a), (2) United States Congressman, Rick Larsen (Exhibit 1b) and (3) Insured, [REDACTED] (Exhibit 1c).

The allegation was that San Juan County residents have been unfairly denied coverage by Kaiser Foundation Health Plan of Washington (“KFHPWA”) for emergency air transports off the San Juan Islands, and that residents have seen an increase in denials starting in the fall of 2018. Additionally, the SJCBH claimed that KFHPWA has changed its policy to require preauthorization for emergency air transport from a hospital setting. If proven to be true, these could be violations of RCW 48.30.010(1) and RCW 48.43.093(1)(a).

SJCBH stated the denials by KFHPWA occurred “...despite demonstration of medical necessity by Board Certified Emergency Room physicians and Emergency Medical Service (“EMS”) paramedics working under the authorization of Dr. Michael Sullivan, San Juan County Medical Program Director,” (Exhibit 1a). Further, it explained that emergency air transport for island residents is a critical component of the medical system on the islands for residents to have timely access to higher level medical care. The San Juan Island residents rely on the Washington State Ferries (during operating hours), private boat or air to get off the islands. SJCBH went on to say:

Currently, medical services are limited to small health clinics on three islands, one critical access hospital (located on San Juan island), and local Emergency Medical Services (EMS). We lack the facilities on all islands, except San Juan, to provide urgent care, after-hour care, or patient monitoring. In addition, we are a county made up entirely of islands without a direct link (i.e. bridge) to the mainland.

Insured **Patient name** was denied a claim by KFHPWA in November 2018, after she was flown by emergency air transport off Lopez Island (part of San Juan County) to Skagit Regional Hospital for a blood transfusion (Exhibit 1c). The decision to seek flight off the island was made by an emergency room doctor after evaluation. **Patient name** expressed concern that KFHPWA did not understand the geography and staffing of the Emergency Medical Service (“EMS”) system on the San Juan Islands after KFHPWA suggested she take ground transportation to a hospital off the Island, as stated in its denial letter to her.

Licensing Review

On 03/15/2019, RIU Investigator Stacey Baker conducted an OIC licensing check on KFHPWA through the Washington State Management & Business Application (“SIMBA”) database (Exhibit 2a). The SIMBA database documented KFHPWA as an admitted, domestic Health Maintenance Organization (WAOIC # 554). KFHPWA has been admitted since 04/07/1976.

Since 2010, 11 orders have been issued against KFHPWA, ranging from rate violations, to incorrectly documenting its legal name with its members, to failing to inform the enrollee that he/she has at least five business days to provide additional information to the Independent Review Organization (Exhibit 2b). Fines and Compliance Plans were ordered.

OIC Notification of Investigation

On 03/19/2019, Investigator Randi Osberg (“Investigator Osberg”) emailed a formal Notification of Investigation to KFHPWA requesting a response to the allegation (Exhibit

3a). On 03/20/2019, Investigator Osberg emailed a revised Notification of Investigation to KFHPWA with the correct cited RCW for the alleged violation.

Complaints

Between 03/02/2019 and 05/10/2019, CAP tracked complaints received by insureds who were denied emergency air transport by KFHPWA (Exhibit 4). Of the 12 complaints tracked, 11 of those were San Juan County residents.

Interview of Complainants

The San Juan County Health & Community Services Director, Mark Tompkins (“Director Tompkins”), provided the OIC with the two letters SJCBH sent to KFHPWA (Exhibit 5a): (1) the original complaint the OIC received (Exhibit 5a, Pg. 8-10), and (2) SJCBH to KFHPWA regarding lack of response to the request for a meeting regarding the issues raised in the first letter (Exhibit 5a, Pg. 6-7).

At the OIC’s request (Exhibit 5b), Director Tompkins provided the medical capabilities and policies for San Juan County as written by Dr. Michael Sullivan (“Dr. Sullivan”), the San Juan County Medical Program Director (Exhibit 5c). Dr. Sullivan indicated he provides 24/7 medical control for Shaw, Orcas and Lopez Island first responders. San Juan Island has a separate supervising physician.

Dr. Sullivan explained there is one hospital in San Juan County, Peace Health Peace Island Medical Center (“PIMC”) which is located in Friday Harbor on San Juan Island (Exhibit 5c, Pg. 6). The four largest islands of San Juan County are: San Juan, Orcas, Lopez and Shaw, and are equipped with a total of five clinics, none of which have emergency or trauma capabilities and defer to EMS. Shaw Island has no clinic (Exhibit 5c, Pg. 7).

The four largest islands each have their own public assets for Basic Life Support (“BLS”) and Advanced Life Support (“ALS”) and are as follows (Exhibit 5c, Pg. 8):

- Shaw Island Fire Department (Volunteer Emergency Medical Technicians, BLS)
- Orcas Island Fire & Rescue (1 Paramedic support, ALS)
- Lopez Island Fire & Rescue (1 Paramedic support, ALS)
- San Juan Island EMS (1 Paramedic support, ALS)

Dr. Sullivan indicated San Juan County does not have any private companies on the islands which provide ground transportation for either BLS or ALS needs (Exhibit 5c, Pgs. 8 and 10). Instead, it uses a number of off-the-island private resources for ground transport in Skagit, Snohomish and Whatcom counties. Dr. Sullivan noted that time is a major factor when deciding to use these options. San Juan County uses Island Air Ambulance (fixed wing) for ALS air transports as well as Airlift Northwest (rotor wing) and Life Flight (rotor wing).

RIU asked Dr. Sullivan to detail under what specific circumstances San Juan County municipals will transport via ground to the mainland by ferry for BLS or ALS patients. Dr. Sullivan deferred the question to each individual island fire department or EMS agency (Exhibit 5c, Pg. 9). He did, however, add that mandatory ground transport generally occurs when there is severe weather preventing private boat or air transports. Additionally, he stated that Chiefs within each department will also take into consideration responder availability, time and impact to remaining island EMS personnel.

Dr. Sullivan pointed to San Juan County's "BLS Protocols - Air Ambulance," and "Transport Resource Guidelines" (Exhibit 5c, Pgs. 10-15) as a means for San Juan County EMS personnel to use in order to determine the specific circumstances when air ambulance transport is warranted (Exhibit 5c, Pg. 9). Dr. Sullivan explained the air ambulance protocols medical personnel use in both (1) San Juan County (excluding San Juan Island), and (2) San Juan Island (Exhibit 5c, Pg. 11):

1. For San Juan County (excluding San Juan Island), air ambulance transports should only occur with any medically necessary patient "for whom ALS care is greater than 30 minutes away." This option does not require the EMS personnel to

contact Medical Control prior to making the flight decision. Instead, they can make an informational call afterwards.

2. For San Juan Island, EMS personnel must obtain authorization from the Medical Control at PIMC to either fly the patient by air ambulance from the scene or just transport to PIMC.
3. San Juan County's definition of "medical necessity," as referenced above, is documented by Dr. Sullivan in its Air Ambulance Protocol as the following (Exhibit 5c, pgs. 11-12):

- *Multi-system trauma patient with blood pressure less than 90*
- *Head Injury with decreased level of consciousness*
- *Trauma with airway compromise, failing VS, or significant mechanism of injury*
- *Uncontrolled bleeding*
- *Spinal cord injury with neurological impairment*
- *Amputation with potential for re-implantation*
- *Acute chest pain with possible MI*
- *Resuscitated cardiac/respiratory arrest*
- *Decreased level of consciousness or new onset CVA symptoms*
- *Moderate to severe hypothermia or near drowning*
- *Patients >60 with acute abdominal pain and blood pressure <90*
- *Complications of pregnancy*
- *Unstable vital signs*
- *Burns 20%, 10% for age <10 and age >50*
- *Pediatric Trauma*
- *Pediatric Respiratory Emergencies*

San Juan County's "Transport Resource Guidelines" documented three patient categories for EMS personnel to consider (Exhibit 5c, Pg. 13):

Three Transport Categories

1. Stable BLS
 - a. IV Maintenance
 - b. Splinting
 - c. Patient may have received oral or IM pain meds.
 - d. No IV meds indicated.
2. Stable ALS Minor
 - a. IV Maintenance/Therapy
 - b. Evaluation by Medic/Clinic has occurred
 - c. No ongoing medication therapy (drips)
 - d. Need for continued cardiac monitoring
3. ALS Major
 - a. Time Critical
 - b. Unstable Vital Signs
 - c. Ongoing IV pain management
 - d. Possibility of patient deterioration during transport
 - e. Airway issue

The patient will likely fall into one of these categories, and Dr. Sullivan outlined different transport options for BLS and ALS patients (Exhibit 5c, Pg. 13):

Regional allocation of transport resources is determined by patient condition and medical risk stratification. Please consider all resources for transport.

BLS Transport Options

1. Ground Ambulance to Island Clinic
2. Ground Ambulance via Ferry
3. POV via Ferry
4. San Juan County Sheriff P/V Guardian Marine Ambulance

ALS Transport Options

1. Airlift NW Rotor wing (Bellingham/Arlington/Seattle/Olympia)
2. Airlift NW Fixed Wing (Turbo Commander/Boeing Field)
3. Island Air Ambulance Fixed Wing
4. Life flight Network Rotor wing (Port Townsend)
5. NAS Whidbey Search & Rescue Roto wing (Whidbey Island)
6. USCG rot owing (Air Station Port Angeles)
7. San Juan County Sheriff P/V Marine Ambulance

Dr. Sullivan also provided a list of “ALS Indicators” that San Juan County medical personnel consider when categorizing a patient (Exhibit 5c, Pg. 14):

ALS Indicators = "Sick Patient"

- Poor general impression
- Unresponsive with no gag or cough reflex
- Difficulty breathing
- Signs of poor perfusion
- Complicated childbirth
- Uncontrolled bleeding
- Severe pain
- Chest pain
- Inability to move any parts of the body
- Unstable vital signs (outside BLS parameters)

These "ALS Indicators" appear less medically serious than the "medical necessity" criteria Dr. Sullivan previously outlined for emergency air transport (Exhibit 5c, Pgs. 11-12).

Dr. Sullivan provided separate guidelines and protocols the physicians in San Juan County follow and, as such, provided three means for transportation: 1) Privately Owned Vehicle (POV), 2) private ambulance (BLS or ALS) and 3) emergency air transport (Exhibit 5c, Pgs. 9 and 10). All three options indicate, "[t]his mode of transport is appropriate for the following patients requiring a higher level of care than locally available." As a private ambulance transport, at either BLS or ALS levels of care, the protocol factors for the physician to take into consideration when using this form of transportation are (Exhibit 5c, Pg. 10):

"These transports require the use of off-island resources creating a long delay in transport times due to waiting for the ambulance service to travel from their home base to the ferry, take the next available ferry, and then catch the next available ferry off the island."

Lastly, Dr. Sullivan also documented the seven steps in Medical Decision Making (Exhibit 5d).

Written Response of KFHPWA

First Response

On 04/09/2019, KFHPWA provided the OIC with its written response to the allegation (Exhibit 6a). Additionally, it provided an immense amount of documentation to include, Air Ambulance Clinical Review Criteria, Review Services Pre-Authorization Procedure Manual for Ambulance/Transportation, and Individual & Family Flex Bronze Medical Evidence of Coverage (Exhibit 6a, Pgs. 10-81).

KFHPWA explained its commitment to providing care to its members and the San Juan County residents (Exhibit 6a, Pg. 2):

KFHPWA's foremost priority is to deliver to our members and communities fully compliant, compassionate, medically necessary, safe, high-quality, and affordable care and coverage. In pursuing these objectives, we consider the assets, needs and challenges present in the communities we serve. While our exploration of those factors in the San Juan Island community is not yet complete, we have identified at least one factor that is plainly impacting the significant use of air transport services on the Islands. Specifically, ground ambulance by ferry for emergency medical transport is not currently being offered in the San Juan Islands. KFHPWA remains concerned about any overutilization of air transport services when other available methods of transport are both safe and provide the necessary level of medical care for our members.¹

KFHPWA disagreed that any of its denials from air ambulance transport claims on San Juan Islands were "wrongful."² It provided an Excel spreadsheet documenting all approved and denied claims between September 1, 2018 and March 1, 2019, as requested by the OIC (Exhibit 6b). Within the spreadsheet, KFHPWA provided an Explanation of Benefits ("EOB") reference number which connects the member in the spreadsheet, to the applicable EOB.

The total claims were 41; of these 17 were approvals and 24 were denials. Furthermore, 20 of the 24 denials were for "lack of medical necessity for air transport services" and the other four were for unrelated reasons, such as on the job injury and termination of coverage prior to the date of the air transport. Of the 41 total claims, 13 insureds

¹ Emphasis added.

² KFHPWA later notified the OIC it subsequently reversed five initial adverse benefit determinations (see Exhibit 6g).

requested appeals resulting in three reversals of the denial of coverage, eight decisions upholding the denial, and two appeals pending. Of the denials based on lack of medical necessity, two of the 20 denials went through an Independent Review Organization (“IRO”) process and upheld KFHPWA denials in each case (Exhibit 6a, Pgs. 2 & 3).

KFHPWA went on to say, “[w]ith respect to each denial, KFHPWA applied its coverage and clinical review protocols, which were fully compliant with Washington state laws and the provisions of KFHPWA’s coverage agreements as have been filed with the OIC,” (Exhibit 6a, Pg. 2).

KFHPWA provided the definition of “emergency medical condition” per WAC 284-43-0160 (7) and from that indicated that if a person is “screened and stabilized” prior to the patient being transported via air ambulance, through EMS and/or physicians, it did not necessitate air ambulance transport as the patient had already been “screened and stabilized” (Exhibit 6a, Pg. 3). The company went on to say that it must still make a medical necessity determination about “which form of transport (ground, air, or no transportation) is covered,” (Exhibit 6a, Pg. 3).

KFHPWA pointed to WAC 284-43-5440(3) for the “medical necessity determination” as well as its own definition within each member contract (Exhibit 6a, Pgs. 3 and 4). Specifically, KFHPWA added emphases in two of the requirements for determining “medically necessary standards” as it pertains to the San Juan County claims:

1. The service must be the most appropriate level of service or supply which can be safely provided to the Member, and
2. It must be appropriate and consistent with the diagnosis and which, in accordance with accepted medical standards in the State of Washington, could not have been omitted without adversely affecting the Member’s condition or the quality of health services rendered.

KFHPWA provided its Clinical Review Criteria for Air Ambulance services for Non-Medicare Members (Exhibit 6a, Pgs. 16 and 17), which is the criteria to assist in

administering plan benefits. KFHPWA's document explained, "Air ambulance transportation services, either by means of a helicopter or fixed wing aircraft, may be determined to be covered only if **ALL the following** are met."³ RIU summarized the criteria in the following table:

#	Criteria (Exhibit 6a, Pgs. 16-17)
1	Medical condition requires rapid transport and circumstances make rapid transport impossible
2	Immediate and rapid transport cannot be provided by ground ambulance, because pickup location is inaccessible or great distances or obstacles are involved
3	Time involved in ground transport (30-60 mins) "poses a threat" to beneficiary's survival or "seriously endangers" beneficiary's health (e.g. <i>intercranial bleeding, cardiogenic shock, burns requiring a burn center, multiple severe trauma, life-threatening injuries</i>).

KFHPWA stated in summary to the allegation of improper denials for San Juan County emergency air transports (Exhibit 6a, Pg. 6):

Consistent with (a) the applicable Washington state law/regulations, (b) the language within KFHPWA's filed coverage contracts, and (c) KFHPWA's established clinical criteria (as described above), there is no basis to conclude that KFHPWA's practices in any way violated RCW 48.43.093(1)(a), RCW 48.30.010(1) and (2), or any other requirement under Washington state laws and regulations. Furthermore, as Attachments 4 and 5 also clearly present, KFHPWA does appropriately cover air transport services when such mode of transport is medically necessary (such as in cases where a patient is experiencing an emergency medical condition and rapid transport to a treatment facility off the islands is medically necessary and cannot be accomplished through ground transport without endangering the patient's health).

KFHPWA also denied requiring preauthorization for "medically necessary emergency air transport" (Exhibit 6a, Pg. 6). KFHPWA further denied having preauthorized an air transport (emergency or non-emergency) and later denying the claim. KFHPWA provided its filed Individual & Family Medical Evidence of Coverage (Exhibit 6a, Pg. 25).

³ Emphasis in original.

Second Response

On 05/01/2019, in response to the OIC's request (Exhibit 6c), KFHPWA provided an additional response (Exhibit 6d). KFHPWA provided five cases in which the claims status had changed since its original response to the OIC. Members identified as: 5.cc (member J.B.), 5.ee (member C.J.), 5.kk (member J.B.),⁴ 5.p (member L.B.), and 5.s (member T.R.). KFHPWA provided all initial claim paperwork it relied on to issue a determination for each claim, whether an approval or denial, for the timeframe of 09/01/2018 to 03/01/2019 (Exhibit 6d, Pgs. 109-2676). For the same time period, it provided the paperwork which explains the adverse benefit determination for each denied claim and all paperwork based on a review by the IRO.

Additionally, KFHPWA provided all approved and denied claims for air ambulance transport off the San Juan Islands for the time period, 03/01/2016 and 08/31/2018 (Exhibit 6e), to include EOB paperwork for each claim (Exhibit 6d, Pgs. 3-108) through an Excel spreadsheet. KFHPWA noted there was no additional adverse benefit determination paperwork for claims within the time period. It added one EOB will be provided by 05/30/2019 for a member identified as 24 (member B.M.).

Third Response

On 05/03/2019, KFHPWA provided the EOB for member 24 (member B.M.) (Exhibit 6f, Pg. 25).

Fourth Response

On 05/17/2019, KFHPWA responded to a request for clarification (Exhibit 6g) on the five members documented in its second response to the OIC with updated claims statuses:

⁴ This is a different insured with the same initials.

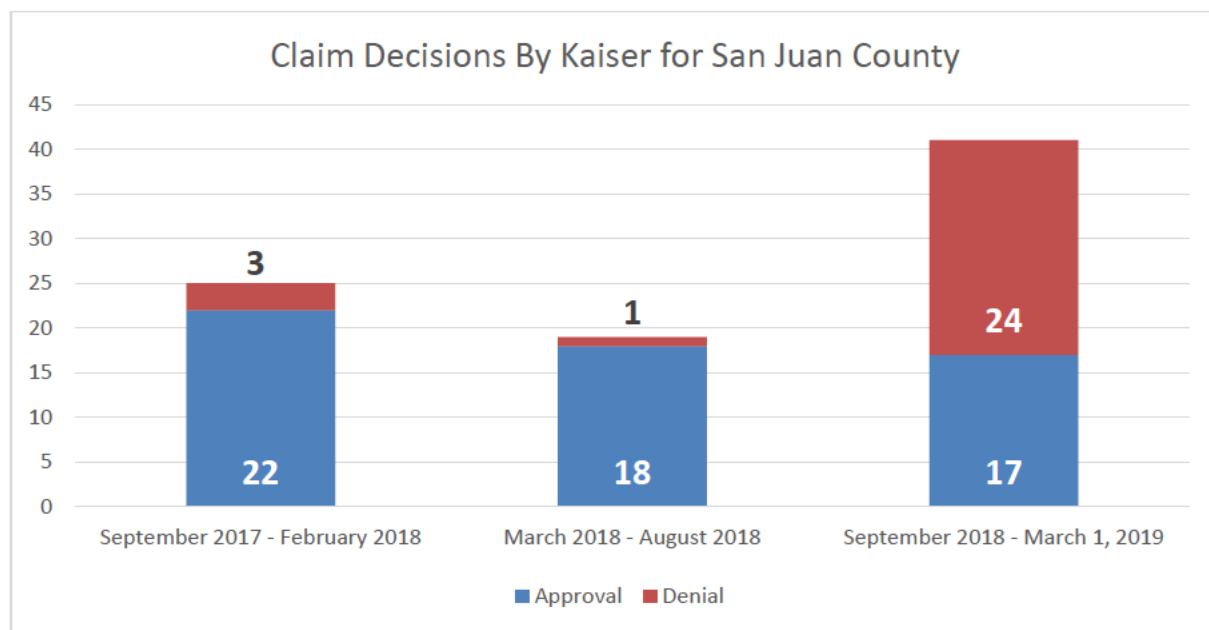
5.cc (member J.B.), 5.ee (member C.J.), 5.kk (member J.B.), 5.p (member L.B.), and 5.s (member T.R.).

KFHPWA explained claim identified as 5.p above was overturned through its appeal process. For the remaining identified claims referenced above [5.cc (member J.B.), 5.ee (member C.J.), 5.kk (member J.B.), and 5.s (member T.R.)] KFHPWA stated the following (Exhibit 6g, Pgs. 1-2):

KFHPW performed an additional internal administrative and clinical review of all air ambulance claims originating from San Juan County from 3/1/2016 to 3/1/2019 upon receipt of the Notice of Investigation. These four claims were denied based on air transport not being provided to the nearest facility able to treat the patient's condition. The complete denial of these claims based solely on the patients not being transported to the nearest facility was an administrative error given that the air transports were medically necessary. As a partial denial for distance was not effectuated for these claims (based on the patients not being transported to the nearest facility), KFHPW has now approved these claims.

Review of Evidence Obtained

Investigator Osberg created a chart for an 18-month time period. The chart was created using the data collected from KFHPWA for emergency air transports for San Juan County residents between 09/01/2017 and 03/01/2019, for denials and approvals. Due to the allegation stemming from an increase in denials starting in the fall of 2018, according to SJC BH, claims were split into six-month increments encompassing that timeframe:



The information in the above chart shows: (1) the number of claims KFHPWA received for San Juan County prior to September 2018 and after, (2) the total number of claims during the summer months where population on the Islands may increase due to weather, and (3) the increase in claims and denials starting in September 2018 through March 1, 2019.

- The average number of claims received by KFHPWA between 09/2017 and 08/2018 was 22 claims in each six month period of time.
- From 09/2018 and 03/01/2019, KFHPWA received 41 claims, an increase in average claims by approximately 86%.
- The percent of denials between 09/01/2018 and 03/01/2019 was approximately 58% of the 41 claims for the time period. This is compared to approximately 12% for 09/2017 through 02/2018, and approximately 5% for 03/2018 through 08/2018. Based on the chart above, the average number of KFHPWA claims and denials increased in September 2018.

Investigator Osberg analyzed all claims between 09/2018 and 03/01/2019 to determine whether KFHPWA improperly denied coverage, using the following documents:

1. KFHPWA's Flex Bronze-19 plan (Exhibit 6a, Pgs. 25-81). Any coverage changes between different, high-level plans would involve deductibles (etc.), not medical necessity criteria. Therefore, RIU determined this plan was representative of KFHPWA's medical necessity criteria and used it as a basis for comparison (Pgs. 79-80).
2. KFHPWA's Air Ambulance Clinical Review Criteria (Exhibit 6a, Pgs. 16-17); specifically the table provided above (see pg. 10). The Criteria explains "KPWA will approve claims only if the beneficiary's medical condition is such that transportation by either basic or advanced life support ground ambulance is not appropriate," and then outlines the criteria it uses.
3. The consumer's claim documents submitted, EOB's and (if applicable) respective denial letters (see appropriate bookmark number in tables below, in Exhibit 6d)

Note: KFHPWA documented four of the 24 denials in the time period of 09/2018 and 03/01/2019 were unrelated to the lack of the medical necessity determination and therefore, were not analyzed for a count of 37 total claims analyzed.

Analysis of Approvals for 09/2018 – 03/01/2019

Of the 17 approvals, two claims did not meet KFHPWA's coverage requirements but were approved.

Insured's Name	EOB Ref. # (Exhibit 6d)	Air Transport Company	RIU Analysis	Analysis Justification
Patient name	5.dd	Island Air	Does not appear to meet KFHPWA's coverage requirements	Criteria #1 not met
Patient name	5.d	Island Air	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.o.1, 5.o.2 and 5.o.3	Island Air	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.aa	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.a	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.g	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met

Patient name	5.c	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.v.1 and 5.v.2	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.bb	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.mm	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.jj.1 and 5.jj.2	Airlift NW	Does not appear to meet KFHPWA's coverage requirements.	Criteria #1, not met
Patient name	5.m	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.i.1 and 5.i.2	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.ll	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.j.1 and 5.j.2	Island Air	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.f	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met
Patient name	5.k	Airlift NW	Meets KFHPWA's coverage requirements.	Criteria #1-3 met

Below are two examples of the analysis completed by Investigator Osberg for the claim approvals between 09/2018 and 03/01/2018. Example one documents a KFHPWA approved claim that *could* have been a denial. Example two documents a KFHPWA properly approved claim based on the documentation.

Example 1 (Exhibit 6d, pgs. 173 – 176):

In the analysis process, the claim paperwork submitted for Insured, Patient name was examined. Although KFHPWA approved the claim, Investigator Osberg's analysis determined it could have been denied.

Island Air responded to the PIMC emergency room at 0152 on 10/31/2018. Patient name had originally reported with chest pain, but now reported to Island Air he was pain free after PIMC administered medications. Patient name reported to Island Air that his pain was 0/10 with a "tiny bit of discomfort," and no nausea or vomiting. Island Air reported after his exam that Patient name had a regular heart rate, was alert and oriented, relaxed, back on the stretcher, in no distress and conversing in full sentences. Island Air provided Patient name with a sodium chloride treatment prior to departure from the scene, and continued to monitor him

throughout the flight. They transported [Patient name] from Friday Harbor Airport at 0237 and arrived at Bellingham International Airport at 0257 (Exhibit 6d, Pgs. 175-176).

It did not appear that [Patient name] met criteria #2 of the coverage requirements, “the beneficiary’s medical condition required immediate and rapid ambulance transportation that could not have been provided by ground ambulance.”

Example 2 (Exhibit 6d, pgs. 109 – 115):

In the analysis process, the claim paperwork submitted for Insured, [Patient name] was examined. Investigator Osberg’s analysis determined KFHPWA properly approved the claim.

Airlift Northwest (“Airlift NW”) responded to PIMC at 0214 on 07/25/2018. [Patient name] complaint was abdominal pain and nausea. PIMC’s blood test results indicated [Patient name] had elevated levels in blood tests; specifically, a high D-dimer result.⁵ X-rays were unable to determine cause of the pain. Further testing was unavailable in clinic at the time due to maintenance. Airlift NW examined the patient and documented her status as “emergent (yellow)” (Exhibit 6d, Pg. 112). It appeared [Patient name] met all three criteria for air ambulance transport. In addition, it met KFHPWA’s “Medical Reasonableness” in that, *“the beneficiary’s condition is such that the time needed to transport a beneficiary by ground, or the instability of transportation by ground, poses a threat to the beneficiary’s survival or seriously endangers the beneficiary’s health.”*

Analysis of Improper Denials for 09/2018 – 03/01/2019

Of the 20 denials by KFHPWA, six claims met KFHPWA’s coverage requirements but were denied. OIC’s Notification of Investigation prompted KFHPWA to conduct an administrative review of all claim denials. The company subsequently overturned five of the six claims, finding they should have been approvals based on the analysis. The

⁵ An open-source search indicates that a “positive D-dimer result” may indicate there to be a significant blood clot.

insureds in these five claims had at least one of the two appeal options available to them (appeal and IRO) and some had both options available. The sixth claim was approved on an appeal requested by the insured.

Insured's Name	Diagnosis	Denial Code/Reason	EOB Ref. # (Exhibit 6d)	Air Transport Company	Analysis Justification
Patient name	Bacterial infection of the blood (sepsis)	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.ee	Airlift NW	Criteria #1-3 met
Patient name	Problem affecting brain blood flow	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.kk	Airlift NW	Criteria #1-3 met
Patient name	Rapid heartbeat (Tachycardia)	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.cc	Airlift NW	Criteria #1-3 met
Patient name	Fluttering heartbeat (fibrillation)	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.p	Airlift NW	Criteria #1-3 met
Patient name	Heart attack with ST elevation test result	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.z	Island Air Inc.	Criteria #1-3 met
Patient name	Shortness of breath	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.s	Airlift NW	Criteria #1-3 met

Below is an example of the analysis completed by Investigator Osberg in which an improper denial determination was made:

Example 1 (Exhibit 6d, pgs. 200 – 316):

In the analysis process, the claim paperwork submitted for Insured, Patient name was examined. Investigator Osberg's analysis determined KFHPWA initially denied the claim which should have been approved.

Airlift NW responded to Lopez Island Clinic at 1605 on 12/01/2016. [Patient name] complaint documented at the time of arrival was sepsis⁶, hypotension⁷ and weakness (Exhibit 6d, Pgs. 201). Airlift NW's report indicated the need for the patient to receive care for a critical illness which is otherwise unavailable on the island.

At the time of arrival, Airlift NW examined the patient and documented its impression of sepsis and shock (Exhibit 6d, Pg. 202). Based on KFHPWA's Air Ambulance Clinical Review Criteria coverage requirements, [Patient name] met all the requirements of coverage. In addition, it met KFHPWA's "Medical Reasonableness" in that, *"the beneficiary's condition is such that the time needed to transport a beneficiary by ground, or the instability of transportation by ground, poses a threat to the beneficiary's survival or seriously endangers the beneficiary's health."*

Analysis of Proper Denials for 09/2018 – 03/01/2019

Insured's Name	Diagnosis	Denial Code/Reason	EOB Ref. # (Exhibit 6d)	Air Transport Company	Analysis Justification
[Patient name]	Chest Pain	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.x	Island Air Inc.	Criteria #1-3, not met
[Patient name]	Broken kneecap showing through skin	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.l	Island Air Inc.	Criteria #1-3, not met
[Patient name]	Inflammation of appendix	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.h	Airlift NW	Criteria #1-3, not met
[Patient name]	Dehydration (loss of too much fluid)	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.hh	Island Air Inc.	Criteria #1-3, not met
[Patient name]	Blockage of the intestine	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.gg	Island Air Inc.	Criteria #1-3, not met
[Patient name]	Mechanical problem with IUD/Birth control	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.t	Island Air Inc.	Criteria #1-3, not met
[Patient name]	Injury to lower leg	315 - Does not meet KFHPWA's medical	5.ii	Island Air Inc.	Criteria #1-3, not met

⁶ An open-source search indicated sepsis as a potentially life-threatening condition caused by the body's response to an infection.

⁷ An open-source search indicated hypotension is low blood pressure.

		necessity standard-Member resp.			
Patient name	Fainting and collapse	018 - Does not meet KFHPWA's medical necessity standard	5.w	Airlift NW	Criteria #1-3, not met
Patient name	Abnormal blood test result	018 - Does not meet KFHPWA's medical necessity standard	5.y	Island Air Inc.	Criteria #1-3, not met
Patient name	Blocked intestine	018 - Does not meet KFHPWA's medical necessity standard	5.u	Airlift NW	Criteria #1-3, not met
Patient name	Inflammation of appendix (appendicitis)	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.ff	Island Air Inc.	Criteria #1-3, not met
Patient name	Single live infant, born before hospitalization	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.q	Island Air Inc.	Criteria #1-3, not met
Patient name	Delayed birth after water breaks (membranes break)	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.nn	Airlift NW	Criteria #1-3, not met
Patient name	Partial finger amputation	315 - Does not meet KFHPWA's medical necessity standard-Member resp.	5.n	Island Air Inc.	Criteria #1-3, not met

Example 1 (Exhibit 6d, pgs. 1704 – 1832):

Island Air responded to the PIMC emergency room at approximately 1611, on 10/04/2018 after a mother delivered a child at home. Island Air noted, “[p]atient had excellent tone and a vigorous cry after birth. Pt successfully latched and was feeding at mother’s breast right after birth. It was decided by Dr. Matthews [PIMC employee] that the patient needed a higher level of care including Pediatric evaluation and care, services not available on San Juan Island. Discussion was had with Dr. Sullivan, who agreed it was appropriate to transport **healthy baby on healthy mother’s chest**,” (Exhibit 6d, pgs. 1705 – 1706).⁸ Island Air departed Friday Harbor Airport at approximately 1842, and arrived at Anacortes Airport at approximately 1850.

Example 2 (Exhibit 6d, Pgs. 2524-2624)

⁸ Emphasis added.

Patient arrived at the PIMC emergency room with complaints of abdominal pain that may have stemmed from a surgery from three weeks prior. Emergency room sends the patient home after evaluation. Patient followed up with a clinic for lab results which were elevated compared to emergency room test results three days prior. Patient then went back to the emergency room where the physician consulted with the surgeon who administered the surgery. The surgeon stated he wanted to evaluate her further due to the abdominal pain and elevated blood levels. Island Air was called to transport the patient to Saint Joseph's Medical Hospital.

The patient assessment done by Island Air indicated she denied "shortness of breath, chest pain, dizziness, or weakness." Further, her pain level was a 4/10 with "slight nausea."

Example 3 (Exhibit 6d, Pgs. 2193-2207)

Airlift NW responded to PIMC at approximately 0121 on 09/19/2018 to transport a patient to Saint Joseph's Medical Center due to abdominal pain that had lasted a week. Patient has Crohn's disease and was seen earlier in the day by primary care, and then presented to the emergency room at approximately 2000 where imaging showed the patient had a bowel obstruction. Patient was given medications for pain and nausea with positive effects.

Example 4 (Exhibit 6d, pgs. 1427-1571)

The patient's water broke at around 1830 on 12/25/2018 at 37 weeks and 4 days gestation, and called 911 where she was transported to PIMC. Patient was dilated to 3 centimeters, 90% effacement and zero station. Patient's pregnancy was noted to be "normal non-complicated pregnancy thus far." Airlift NW was called to transport the patient due to "time critical imminent birth w/ no specialty ob care available on the island with ground transport 30-60 min."

Example 5 (Exhibit 6d, pgs. 1281-1426)

The patient was evaluated by Orcas Island EMS on 08/06/2018 after injuring his right hand, 2nd, 3rd, 4th and 5th fingers after his model airplane turned into his hand. The patient's 3rd and 5th tips of his fingers, just behind the fingernails, were reported missing and lacerations on the 2nd and 4th fingers. The patient was in no sign of distress, sitting upright and talking with EMS. His hand was bandaged with "telfa and kerlex, clean, dry, bleeding controlled, bandage intact." The patient was given pain medication and denied chest pain or shortness of breath. Patient was flown to Island Hospital by Island Air at approximately 1900 for "ER admit, evaluation, pain control, x-ray, suturing, possible ortho, and continued care."

Example 6 (Exhibit 6d, pgs. 979-1259)

Island Air was dispatched to Orcas Eastsound Airport at approximately 1626 on 09/01/2018 for a 16-year-old male with a left knee injury. The patient did a back flip off a rope swing, fell and hit his knee on a rock. Patient was able to walk to a car, where he was taken by friends to the local fire department for evaluation. The patient stated he did not hit his head, neck or back, but had pain of 6/10 on his left knee. The patient denied chest pain, shortness of breath, headache, nausea or vomiting, dizziness, diarrhea and no recent illness or injury other than chief complaint. The decision was made to airlift the patient, "for possible open fracture evaluation."

Pre-authorization issue

KFHPWA provided the 2019 Individual & Family Flex Bronze Medical Evidence of Coverage (Exhibit 6a, Pgs. 25-81). The coverage requirements documented for emergency air transport does not require preauthorization (Exhibit 6a, Pg. 47). Furthermore, the 2018 version of the same document indicates there is no requirement for preauthorization for emergency air transport (Exhibit 7c, Pg. 42).


Conclusions

1. **The allegation that KFHPWA is unfairly denying claims for emergency air transports off the San Juan Islands, in violation of RCW 48.30.010(1) and (2), is unsubstantiated.**

The allegation is unsubstantiated because evidence indicates KFHPWA denied claims in accordance with its clinical review criteria, because the claims did not meet coverage requirements. Further, the denials do not meet San Juan County's own "medical necessary" criteria for air ambulance transport in its own internal procedures (Exhibit 5c, pgs. 11-12). Evidence indicates KFHPWA properly approved air ambulance claims, as well.

2. **The allegation that KFHPWA has changed its policy to require preauthorization for emergent air transport out of the hospital setting, in violation of RCW 48.43.093(1)(a), is unsubstantiated.**

The allegation is unsubstantiated because KFHPWA's coverage documents do not require preauthorization for emergency air transports.



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***Final Investigative Report
Exhibits List***

Exhibit 1a: 02/25/2019 Letter from San Juan County Board of Health and County Council.

Exhibit 1b: 03/12/2019 Letter from Congressman Rick Larsen.

Exhibit 1c: 02/02/2019 Complaint to CAP by **Patient name**

Exhibit 2a: 03/15/2019 License for Kaiser Foundation Health Plan of Washington (KFHPWA).

Exhibit 2b: 05/13/2019 KFHPWA WA OIC Orders List since 2010.

Exhibit 3a: 03/19/2019 Notification of Investigation to KFHPWA.

Exhibit 3b: 03/20/2019 Revised NOI to KFHPWA.

Exhibit 4: 05/10/2019 Air Ambulance Complaints to Consumer Protection.

Exhibit 5a: 03/20/2019 Thompkins with Formal Notices sent to KFHPWA.

Exhibit 5b: 04/11/2019 Request for Information to San Juan County Board of Health.

Exhibit 5c: 04/30/2019 San Juan County response regarding medical assets.

Exhibit 5d: 04/30/2019 Sullivan response to criteria for medical decisions for air medical transport.

Exhibit 6a: 04/09/2019 KFHPWA response to NOI (with documents).

Exhibit 6b: 04/09/2019 KFHPWA spreadsheet of approvals and denials between 09/2018 through 3/1/2019.

Exhibit 6c: 04/10/2019 Additional request to KFHPWA.

Exhibit 6d: 05/01/2019 KFHPWA response to additional request (with documents).

Exhibit 6e: 05/01/2019 KFHPWA spreadsheet of approvals and denials between 03/01/2016 through 03/01/2019.

Exhibit 6f: 05/03/2019 KFHPWA additional response with Explanation of Benefits for Insureds between dates 03/01/2016 through 08/31/2018.

Exhibit 6g: 05/17/2019 KFHPWA response to the overturning of 5 denied claims.

Exhibit 7a: 05/10/2019 18 month chart of approved and denied claims.

Exhibit 7b: 05/07/2019 Analysis of claims between 09/2018 and 03/01/2019.

Exhibit 7c: 2018 KFHPWA Individual & Family Flex Bronze Medical Evidence of Coverage.