

November 8, 2022

Dear Group Representative:

On behalf of Kaiser Permanente, I am writing regarding the fully insured Kaiser Permanente health plan coverage(s) ("KP Plan(s)") that your group purchases from one or more Kaiser health plan issuers ("KP Issuers").<sup>1</sup> This letter of agreement addresses regulatory requirements related to:

- Transparency in Coverage: Public Disclosure -- Provision through public disclosure of machine-readable files (MRFs) setting forth (1) in-network provider rates for covered items and services, and (2) out-of-network allowed amounts and billed charges for covered items and services;
- Transparency in Coverage: Enrollee Disclosure -- Required disclosures to members (individuals enrolled in a KP Plan) pertaining to cost sharing information in the required format via an online tool, paper disclosure or telephonic assistance, upon request; and
- Pharmacy Reporting -- Reporting annually on prescription drug spending, and health care spending, enrollment and premiums.

These regulatory requirements are imposed on group health plans such as yours and health insurance issuers such as the KP Issuers. KP Issuers have already performed, or will undertake performance of, the required activities as described in the applicable statutory provisions, implementing regulations and sub-regulatory guidance. In order to prevent duplication of efforts, implementing regulations related to these activities permit group health plans and issuers to enter into a written non-duplication agreement pertaining to the issuers' provision of the required information and/or reporting.<sup>2</sup>

In addition, group health plans and health insurance issuers are obligated to make certain disclosures regarding the balance billing protections under the federal No Surprises Act. Again, group health plans and issuers are permitted to enter into a written non-duplication agreement for the posting of the disclosures on a public website by the issuer.<sup>3</sup>

Accordingly, your group may rely on the KP Issuers' public disclosure of the MRFs, provision of cost sharing information, and prescription drug reporting for the years in which the KP Issuer(s) provided fully insured health plan coverage to your group during calendar years 2022 and 2023 (and subsequent years for which the parties do not have an agreement regarding the regulatory requirements described in this letter) as well as 2020 and 2021 for pharmacy reporting only. In addition, KP Issuers have posted the notice regarding balance billing protections, and your group may rely on the KP Issuers' disclosures of information related to federal balance billing protections posted on Kaiser Permanente's website, [kp.org](https://www.kp.org).

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<sup>1</sup>Kaiser health plan issuers are the following entities: Kaiser Foundation Health Plan, Inc. (for its Northern California, Southern California and Hawaii regions), Kaiser Foundation Health Plan of Colorado, Kaiser Foundation Health of Georgia, Inc., Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan of Washington, Kaiser Permanente Insurance Company and Kaiser Foundation Health Plan of Washington Options, Inc.

<sup>2</sup>See 45 CFR 147.212(b)(4) (publication of MRFs), 45 CFR 147.211(b)(3) (provision of cost estimates upon request), and 45 CFR 149.720(d) (prescription drug cost reporting).

<sup>3</sup>See FAQs About Affordable Care Act and Consolidated Appropriations Act, 2021 Implementation Part 55, Q.11 on pages 12-13 (issued August 19, 2022)



If your group wishes to execute this letter of agreement, please have an authorized representative of your group sign in the space provided below and return the executed copy to [CAAgreement@kp.org](mailto:CAAgreement@kp.org).

Kaiser Permanente is committed to providing price transparency in our interactions with our customers and members, and we appreciate your business.

Sincerely,

A handwritten signature in black ink, appearing to read "Arthur Southam", written in a cursive style.

Arthur Southam  
EVP Health Plan Operations and Chief Growth Officer  
Kaiser Foundation Health Plan, Inc.

AGREED TO & ACCEPTED BY:

Group: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_