

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Friday, August 7, 2015

TRUSTEES PRESENT

Ms. Celeste Nip Chairperson	Mr. James Nishimoto
Ms. Julia Zeghmi, Vice Chairperson	Ms. Colleen Pasco
Mr. Roderick Becker	Dr. Virginia Pressler
Ms. Linda Currivan Musto	Mr. Clifford Uwaine

TRUSTEES ABSENT

Ms. Audrey Hidano, Secretary-Treasurer	Mr. Wesley Machida
--	--------------------

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Ms. Sandra Yahiro, Administrator	Mr. Thomas Morrison, Benefits Consultant
Mr. Derek Mizuno, Assistant Administrator	Ms. Linda Green
Ms. Maria Quartero	Ms. Bonny Kahalewai
Mr. Adam Dreher	Mr. Raymond Kan
Ms. Lauren Endo	

OTHERS PRESENT

Ms. Marissa Adachi, HMSA	Ms. Susan Goya, HGEA Retiree
Mr. Gareth Azama, HMSA	Mr. Galen Haneda, HMSA
Ms. Nikki Bassett, US Able Life	Ms. Danielle Jones, UnitedHealthcare
Ms. Sandra Benevides, CVS Caremark	Mr. Douglas Murata, Royal State
Ms. Elaine Fujiwara, HDS	Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:05 a.m. by Trustee Linda Currivan Musto, Secretary-Treasurer, in the EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Friday, August 7, 2015.

II. WELCOME NEW TRUSTEES

Trustee Currivan Musto welcomed and introduced new Trustees: Ms. Colleen Pasco, representing Hawaii State Teachers Association, Dr. Virginia Pressler, Director of Department of Health, Mr. James Nishimoto, Director of Human Resources Development, and Mr. Wesley Machida, Director of Finance, who could not attend today's meeting.

MOTION was made for the Board to amend the agenda to move agenda item IV. New Business, C. Administrative Rule Changes after Executive Session. (Nip/Pressler) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

III. ELECTION OF CHAIR, VICE CHAIR, SECRETARY-TREASURER & COMMITTEE ASSIGNMENTS

Trustee Celeste Nip is nominated for Chairperson (Uwaine/Nishimoto)

MOTION was made for the Board to close nominations. (Uwaine/Nishimoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

MOTION was made for the Board to appoint Trustee Celeste Nip, Chairperson of the EUTF. (Uwaine/Nishimoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Trustee Julia Zeghmi was nominated for Vice-Chairperson. (Uwaine/Currivan Musto)

MOTION was made for the Board to close nominations. (Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

MOTION was made for the Board to appoint Trustee Julia Zeghmi, Vice-Chairperson of the EUTF. (Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Trustee Audrey Hidano was nominated for Secretary-Treasurer. (Becker/Nishimoto)

MOTION was made for the Board to close nominations. (Pressler/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

MOTION was made for the Board to appoint Trustee Audrey Hidano, Secretary-Treasurer of the EUTF. (Becker/Nishimoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

There being no objections by the Trustees, the Trustees volunteered to remain or be on the following Committees:

Administrative Committee: Audrey Hidano, Wesley Machida, Celeste Nip, Clifford Uwaine.

Benefits Committee: Roderick Becker, Linda Currivan Musto, Wesley Machida, Colleen Pasco, Virginia Pressler, Clifford Uwaine.

Investment Committee: Roderick Becker, Linda Currivan Musto, Wesley Machida, Celeste Nip, James Nishimoto, Julia Zeghmi.

Emergency Committee: Linda Currivan Musto, Audrey Hidano, James Nishimoto (Alternate), Julia Zeghmi (Alternate)

IV. NEW BUSINESS

A. Administrative Fees For Retirees Effective January 1, 2016 and Employees Effective July 1, 2016

Mr. Derek Mizuno summarized the background and EUTF staff's recommendation for EUTF administrative fees as outlined in the July 31, 2015 memorandum to the Board from the Administrator. Discussion held by Trustees, staff, and benefits consultant regarding administrative fees; how reserves/surplus can be used.

MOTION was made for the Board to approve paying the administrative fee for retirees for the period 1/1/16 to 12/31/16 and active employees for the period of 7/1/16 to 6/30/17 from excess reserves using the method that is consistent with past practice. (Uwaine/Currivan Musto) The motion failed. (Employer Trustees-3 NO-Becker, Nishimoto, Pressler/Employee-Beneficiary Trustees-5 YES-Currivan Musto, Nip, Pasco, Uwaine, Zeghmi)

B. Retiree Rates Effective January 1, 2016 - Caremark and SilverScript

Mr. Tom Morrison summarized the retiree rates for Caremark and SilverScript for the period 1/1/16 to 12/31/16 as recommended by Segal in the July 29, 2015 memorandum to the Board.

MOTION was made for the Board to approve the retiree rates for Caremark and SilverScript for the period 1/1/16 to 12/31/16 as presented by Segal. (Pressler/Becker) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

C. Administrative Rule Changes – Rules 3.01(b)(3), 4.10; 4.11(b); 4.13(b)

This item was moved to be addressed after Executive Session.

V. EXECUTIVE SESSION

MOTION was made for the Board to move into Executive Session at 10:00 a.m. as stated on the agenda. (Nishimoto/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Executive Session adjourned at 1:14 p.m.

IV. NEW BUSINESS

C. Administrative Rule Changes – Rules 3.01(b)(3), 4.10; 4.11(b); 4.13(b)

This item is deferred until the next Board meeting.

VI. NEXT MEETING DATE

A. August 25, 2015, 9:00 a.m. – Regular Board Meeting

The next regular Board meeting is scheduled for August 25, 2015.

VII. ADJOURNMENT

MOTION was made for the Board to adjourn meeting at 1:16 p.m. (Nishimoto/Becker) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

Audrey Hidano, Secretary-Treasurer

APPROVED on August 25, 2015.

Documents Distributed:

1. EUTF Committees List dated 7/15/15. (1 page)
2. Memorandum to BOT from Administrator Regarding EUTF Administrative Fee dated 7/31/15. (6 pages)
3. Memorandum to BOT from Segal Regarding 2016 Retiree Prescription Drug Rates dated 7/29/15. (4 pages)
4. Memorandum to BOT from Administrator Regarding Proposed Administrative Rules Changes – Cancellation for Non-Payment and Adult Disabled Children dated 7/28/15. (5 pages)