

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Monday, September 21, 2015

TRUSTEES PRESENT

Ms. Celeste Nip, Chairperson	Mr. James Nishimoto
Ms. Audrey Hidano, Secretary-Treasurer (left 12:15 pm)	Ms. Colleen Pasco
Mr. Roderick Becker	Dr. Virginia Pressler (left 10:30 am)
Ms. Linda Currivan Musto	Mr. Clifford Uwaine
Mr. Wesley Machida	

TRUSTEES ABSENT

Ms. Julia Zeghmi, Vice Chairperson

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Ms. Sandra Yahiro, Administrator	Mr. Thomas Morrison, Benefits Consultant (via conf. call)
Mr. Derek Mizuno, Assistant Administrator	Ms. Linda Green
Ms. Maria Quartero	Ms. Bonny Kahalewai
Mr. Adam Dreher	Mr. Raymond Kan
Ms. Lauren Endo	Ms. Donna Tonaki

OTHERS PRESENT

Ms. Marissa Adachi, HMSA	Mr. Myles Kiyabu, Royal State
Ms. Cheryl Archer, USAble	Mr. Christopher Letoto, HMSA
Ms. Sandra Benevides, CVS Caremark	Mr. Kurt Neufeld, CVS Caremark
Mr. Andrew Elliott, CVS Caremark	Ms. Cindy Richardson, Kaiser
Ms. Elaine Fujiwara, HDS	Mr. Troy Tomita, Kaiser
Ms. Keiko Hiraoka, Lilly	Ms. Nicole Troche, Kaiser
Ms. Danielle Jones, UnitedHealthcare	

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 10:01 a.m. by Trustee Celeste Nip, in the EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Monday, September 21, 2015.

II. MINUTES

A. August 25, 2015

The Board reviewed the draft minutes of August 25, 2015. The draft minutes of August 25, 2015 is amended as follows: (1) page 1, line 10, delete “(left 12:58 pm)”;

and (2) page 6, line 12, delete “[Trustee Becker left at 12:58 p.m.]”.

MOTION was made for the Board to approve the minutes of August 25, 2015 as amended. (Currivan Musto/Uwaine) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

III. EXECUTIVE SESSION

MOTION was made for the Board to move into Executive Session at 10:04 a.m. as stated on the agenda. (Hidano/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Executive Session adjourned at 11:39 a.m.

Recessed at 11:39 a.m. and reconvened at 11:44 a.m.

Chairperson Nip reported that the Board has taken the following actions in Executive Session:

1. Approved the Executive Session minutes of August 25, 2015.
2. Approved amending the Segal contract to assist the EUTF with preparing a Request for Proposal (RFP) for carrier audits and to assist the EUTF with overseeing the various audits.
3. Approved one (1) Appeal for retroactive reinstatement of coverage.
4. Approved amending the Segal contract to assist employers with Affordable Care Act (ACA) advice and guidance related to their Employer Reporting Responsibilities, with the employers reimbursing EUTF when using Segal.

IV. OLD BUSINESS

- A. Administrative Fee for Retirees for 1/1/16 to 12/31/16 and Actives 7/1/16 to 6/30/17

Recessed at 11:44 a.m. and reconvened at 11:48 a.m.

This item was deferred.

V. NEW BUSINESS

- A. EUTF FY17 Budget

Mr. Derek Mizuno summarized the supplemental budget request for FY 2017 (adding five [5] new permanent positions and reclassifying positions). Discussion held by the Trustees, staff, and deputy attorney general regarding the supplemental budget request for FY 2017, process for budget review by the EUTF Administrative Committee before Board's review, procedures for hiring, funding for the supplemental budget for FY 2017, what would happen if the administrative fees issue is not resolved or voted upon.

Ms. Sandra Yahiro stated, at the last Board meeting, in the absence of a decision by the Board, the EUTF needs to run the office and that the Administrator will make a decision and will use the excess reserves for administrative fees.

MOTION was made for the Board to move into Executive Session at 12:12 p.m. to discuss legal issues regarding administrative fees with the deputy attorney general.

(Currivan Musto/Nishimoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Executive Session adjourned at 12:25 p.m.

MOTION was made for the Board to approve the Supplemental Budget request for FY 2017 for the amount of \$517,370.00 as recommended by the EUTF staff.

(Uwaine/Currivan Musto) The motion failed. (Employer Trustees-1 YES-Machida, 2 NO-Becker, Nishimoto/Employee-Beneficiary Trustees-4 YES-Currivan Musto, Nip, Pasco, Uwaine)

B. Pharmacy Benefit Manager (PBM) Claims Audit Report

Ms. Yahiro stated that the Claims Audit report is due September 30, 2015. The report is now being distributed to the Board. There being no objections by the Trustees, Segal has met the requirement of submitting the Claims Audit report. The Board may review the report and the presentation will be given by Segal at the next Board meeting.

C. Kaiser Medicare Members Living on Molokai, Lanai, Kauai, and Parts of Hawaii Island (Naalehu, Pahala, Hawaii National Park)

There being no objections by the Trustees, this item is deferred until the next Board meeting.

D. IFEBP Annual Conference, November 8-11, 2015

Ms. Sandra Yahiro reported that the Board previously approved for all Trustees and EUTF staff selected by the Administrator to attend the IFEBP 61st Annual Employee Benefits Conference from November 8-11, 2015. Due to new appointments of EUTF Trustees, the Administrator is requesting that the Board approve Trustees and staff from the list submitted by the Administrator to attend the IFEBP 61st Annual Employee Benefits Conference.

MOTION was made for the Board to approve for the Trustees and staff on the list submitted by the Administrator to attend the IFEBP 61st Annual Employees Benefits Conference from November 8-11, 2015. (Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

The following items are deferred until the next Board meeting.

VI. COMMITTEE REPORTS

A. Benefits Committee

1. CVS Prescription Drug Plan

- a. Overview of Plan Performance, Including Trend
- b. Current Programs in Place
- c. Adding Hepatitis C Class of Drugs to the Specialty Step Therapy for EUTF Active Employee and Non-Medicare Retiree Plans

- d. Exclude Coverage of Certain Hepatitis C Treatments on EUTF Medicare Retiree Plans
- e. Exclude Topical Pain Patches Not Approved by the Federal Drug Administration (FDA) from Active Employee Plans and Retiree Plans
- f. Generic Step Therapy
 1. Add Acne Class of Medication Therapy
 2. Change Step Therapy Program From Requiring One Trial of Generics to Two Trials
- g. Retail 90 Network
- h. Formulary Options
- i. Drug Savings Review
2. Medical Plan Design Changes for Active Employees July 1, 2016
3. Hawaii Dental Service Plan Design Change for Active Employees July 1, 2016
4. Vision Service Plan Design Change for Active Employees July 1, 2016
5. EUTF's Wellness and Disease Management Programs/Activities

VII. REPORTS

A. Administrator

The Administrator's written report was in the Board's packet.

1. Vitech Modified Phase II
2. Expanding EUTF's Office Space
3. EUTF Website Review
4. Vitech Rebill Issue
5. Improve EUTF's Customer Service
6. Health Benefit Plans Claims Audit
7. Converting EUTF's Email System to Office365
8. EUTF's Strategic Plan
9. Wellness Benefits and Disease Management Services
10. Death Validation Project
11. Direct Deposit Project
12. Adult Disabled Child Project
13. Kaiser Senior Advantage Plan Project

B. EUTF Managers' and Program Specialist Operations Reports

The EUTF Managers' and Program Specialist written reports were in the Board's packet.

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. MSB Staffing Update
 - c. Carrier Reports
 - d. 2016 Retiree Open Enrollment
2. Information Systems (IS)
 - a. V3 BAS Modified Phase II (Employer File Feed)
 - b. Microsoft Office 365 Conversion
 - c. Oracle Database Upgrade and Encryption
 - d. EUTF Local Area Network Server and Workstation Encryption

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- e. EUTF IS Vacancies
 - f. Enrollment Counts
 3. Program Specialist Report
 - a. Wellness Benefits
 - b. Disease Management (DM) Services
 - c. Population Health Data Report
 - d. Plan Audits
 - e. Transition From One Vender to Another
 4. Financial Services Branch
 - a. Management Letter Corrective Action Plan Status
 - b. Financial Audit for Fiscal Year Ending 2015
 - c. Financial Services Branch Staffing Update
 - d. Financial Statements as of June 30, 2015
- C. Segal
 1. Trends 7/1/16 through 6/30/22
 2. June 30, 2015 Experience Report
 3. Performance Standards Compliance Report
 4. Incurred But Not Reported (IBNR)
- D. Carrier Reports
 1. CVS Caremark
Written report submitted.
 2. SilverScript
Written report submitted.
 3. Hawaii Dental Service (HDS)
Written report submitted.
 4. Hawaii Medical Service Association (HMSA)
Written report submitted.
 5. Kaiser Health Foundation
Written report submitted.
 6. Royal State Insurance
Written report submitted.
 7. UnitedHealthcare
Written report submitted.
 8. USABLE Life
Written report submitted.

9. Vision Service Plan (VSP)
Written report submitted.

VIII. FUTURE AGENDA ITEMS DISCUSSION AND NEXT MEETING DATE

A. November 17, 2015, 9:00 a.m. – Regular Board Meeting

The next regular Board meeting is scheduled for November 17, 2015.

Discussion was held by the Trustees and staff regarding rescheduling of Board meetings and a concern expressed by a Trustee if the Board is doing their due diligence.

IX. ADJOURNMENT

MOTION was made for the Board to adjourn meeting at 12:44 p.m. (Currivan Musto/Uwaine) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Audrey Hidano, Secretary-Treasurer

APPROVED on December 9, 2015.

Documents Distributed:

1. Draft Board Minutes of 8/25/15. (10 pages)
2. Memorandum to BOT from Administrator Regarding EUTF Administrative Fee dated 7/31/15. (5 pages)
3. Memorandum to BOT from Administrator Regarding Unreserved, Unrestricted Net Assets dated 8/19/15. (2 pages)
4. Memorandum to BOT from Administrator Regarding Supplemental Budget Request for FY 2017 dated 9/16/15. (25 pages)
5. Administrator's Monthly Report to the Board from 8/20/15-9/16/15 dated 9/21/15. (4 pages)
6. EUTF Customer Service Improvement Project Survey Results from 8/2015-9/15/15. (1 page)
7. Customer Service Automated Call Distribution Report for August 2015, September 2015, July to December 2013 and January to December 2014, and January to September 13, 2015 dated 9/14/15. (4 pages)
8. Letter to Retirees Receiving Medicare Part B Checks Regarding Recommendation to use Direct Deposit Agreement (DDA) dated 9/9/15. (1 page)
9. Letter to Parent of Medicare-Age Adult Disabled Child Enrolled in EUTF Retiree Health Benefits Plans Regarding Disability Certification dated 9/16/15. (1 page)
10. Two Letters to Retirees Enrolled in EUTF Kaiser Plan Regarding Senior Advantage Plan dated 9/15/15. (2 pages)

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11. Memorandum to BOT from MSB Manager Regarding August 2015 MSB Monthly Report dated 9/14/15. (2 pages)
12. Memorandum to BOT from IS Analyst Regarding August IS Operations Report dated 9/14/15. (11 pages)
13. Memorandum to Administrator from Program Specialist Regarding August 2015 Monthly Report dated 9/11/15. (6 pages)
14. Memorandum to BOT from Financial Management Officer Regarding Financial Services Branch Report for September 21, 2015 BOT Meeting. (2 pages)
15. EUTF Enterprise (Actives) Statement of Net Position 12 Months Ended June 30, 2015 (Preliminary-Unaudited) dated 8/19/15, EUTF Enterprise (Actives) Statement of Revenue, Expenses and Changes in Net Position 12 Months Ended June 30, 2015 (Preliminary-Unaudited) dated 8/19/15, EUTF Agency (Retirees) – Statement of Fiduciary Net Position 12 Months Ended June 30, 2015 dated 8/19/15, EUTF Agency (Retirees) – Statement of Revenue and Expenses and Changes in Net Position 12 Months Ended June 30, 2015 (Preliminary-Unaudited) dated 8/19/15. (1 page), EUTF OPEB – Statement of Net Position 12 Months Ended June 30, 2015 (Preliminary-Unaudited) dated 8/19/15, EUTF OPEB – Statement of Revenue and Expenses 12 Months Ended June 30, 2015 (Preliminary-Unaudited) dated 8/19/15. (6 pages)
16. Experience Accounting of CVS Caremark Actives Self-Funded Plans Summary of FYE 6/30/2014 & FYE 6/30/2015, June, dated 8/19/15. (1 page)
17. Experience Accounting of CVS Caremark Non-Medicare Retirees Self-Funded Plan Summary of FYE 6/30/2014 & FYE 6/30/2015, June, dated 8/19/15. (1 page)
18. Experience Accounting of SilverScript Medicare Retirees Self-Funded Plan Summary of FYE 6/30/2014 & FYE 6/30/2015, June, dated 8/19/15. (1 page)
19. 2016 Segal Health Plan Cost Trend Survey, Summer 2015. (10 pages)
20. EUTF Year to Date Contract Plan Experience Report Contract YTD through March 2015 dated 8/25/15. (130 pages)
21. Memorandum to BOT from Segal Regarding Performance Guarantee Reporting for the First Quarter of 2015 dated 8/19/15. (16 pages)
22. Memorandum to BOT from Segal Regarding June 30, 2015 IBNR Calculation dated 7/29/15. (2 pages)
23. CVS Caremark Monthly Carrier Report for August 2015 dated 9/10/15. (17 pages)
24. SilverScript Monthly Carrier Report for August 2015 dated 9/10/15. (4 pages)
25. HDS Monthly Carrier Report for August 2015 dated 9/10/15. (2 pages)
26. HMSA Monthly Carrier Report for August 2015 dated 9/15/15. (2 pages)
27. Kaiser Monthly Carrier Report for Kaiser 2015 dated 9/10/15. (2 pages)
28. Royal State Insurance Monthly Carrier Reports for August 2015 (Chiropractic Plan) dated 9/9/15. (2 pages)
29. UnitedHealthcare Monthly Carrier Report for August 2015 dated 9/3/15. (1 page)
30. US Able Life Monthly Carrier Report for August 2015 dated 9/10/15. (2 pages)
31. VSP Monthly Carrier Report for August 2015 dated 9/10/15. (10 pages)