

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, March 22, 2016

TRUSTEES PRESENT

Ms. Celeste Nip, Chairperson
Ms. Julia Zeghmi, Vice Chairperson
Ms. Audrey Hidano, Secretary-Treasurer
Mr. Roderick Becker

Ms. Linda Currivan Musto
Mr. Wesley Machida
Mr. James Nishimoto

TRUSTEES ABSENT

Dr. Virginia Pressler

Mr. Clifford Uwaine

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Ms. Maria Quartero
Mr. Adam Dreher
Ms. Lauren Endo

Mr. Thomas Morrison, Benefits Consultant
Ms. Linda Green
Ms. Bonny Kahalewai
Mr. Raymond Kan
Mr. Reid Shimabukuro

OTHERS PRESENT

Ms. Marissa Adachi, HMSA
Mr. Garet Azama, HMSA
Ms. Nikki Bassett, US Able Life
Ms. Sandra Benevides, CVS Caremark
Mr. Andrew Elliott, CVS Caremark
Ms. Elaine Fujiwara, HDS
Mr. Dale Goya, HMSA
Ms. Susan Goya, HGEA-R

Mr. Galen Haneda, HMSA
Ms. Mae Kishimoto, HSTA-R
Mr. Christopher Letoto, HMSA
Ms. Melissa Maino, CVS Caremark
Mr. Douglas Murata, Royal State
Ms. Cindy Richardson, Kaiser
Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:01 a.m. by Chairperson Celeste Nip, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Honolulu, Hawaii, on Tuesday, March 22, 2016.

II. MINUTES

A. Amended December 9, 2015

Mr. Derek Mizuno stated at the December 9, 2015, the Board approved the change in the emergency room facility charge from copayments to coinsurance for the HMSA 80/20 and 75/25 PPO plans but the motion was inadvertently left out of the minutes.

MOTION was made for the Board to approve the amended December 9, 2015 minutes to add the following "MOTION was made for the Board to change the HMSA 80/20 and 75/25 plan designs for EUTF Active Employee plans, excluding the HSTA VB plans,

effective July 1, 2016 by changing from copayments of \$100 from in- and out-of-network emergency room facility services for both the 80/20 and 75/25 plans to coinsurance of 20% and 25% for the 80/20 and 75/25 plans, respectively.” (Becker/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

B. February 23, 2016

The Board reviewed the draft minutes of February 23, 2016.

MOTION was made for the Board to approve the minutes of February 23, 2016 as circulated. (Currivan Musto/Zeghmi) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

III. EXECUTIVE SESSION

MOTION was made for the Board to move into Executive Session at 9:06 a.m. (Machida/Zeghmi) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Executive Session adjourned at 10:52 a.m.

Recessed at 10:52 a.m. and reconvened at 11:00 a.m.

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

1. Approved the Executive Session minutes of February 23, 2016.
2. Approved one (1) Appeal for retroactive reinstatement of coverage.

IV. NEW BUSINESS

A. Administrative Rule Change

Mr. Derek Mizuno reported that the Administrative Committee recommends that the Board approve the Administrative Rule change to Section 1.12 and summarized the background for the rule change.

MOTION was made upon the recommendation of the Administrative Committee for the Board to approve the proposed Administrative Rule change to delete Section 1.12(b) “strict enforcement of such provision would impose a manifest injustice upon an employee beneficiary who has substantially complied with the Fund’s rules in good faith”. (Hidano/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

V. OLD BUSINESS

A. 2016 EUTF Legislation

An updated list of 2016 legislative bills related to the EUTF were distributed to the Trustees. Mr. Derek Mizuno summarized the status of SB2838 SD1/HB2309 Relating to Investments of the EUTF, SB2839 SD2/HB2310 Relating to the EUTF, SB2840 SD1/HB2311 Relating to Reporting Death to State Agencies, SB2376 SD1/HB1672 HD2 Relating to Prescription Drug Benefits, SB2428 SD2/HB2016 HD1 Relating to Public Employees, HB2740 HD1 Relating to Liability, SB2668 SD2 Relating to Insurance, HR120/HCR170 Relating to Fossil Fuel Investments, and HR10/HCR38 Requesting the EUTF to review its health insurance coverage for retirees and their family members.

B. FY17 Supplemental Budget Request for Additional Positions

Mr. Mizuno reported that the Board approved three positions and Budget & Finance recommended one position (benefit audit specialist) in the Governor's message. Discussion held by Trustees and staff that there were four Governor messages but the House Committee on Finance only got to review one Governor's message and the other messages may be added by the Senate or in conference committee.

VI. Reports

A. Segal

1. Performance Guarantee Compliance Report – December 31, 2015

Mr. Morrison summarized the performance guarantee reporting for the fourth quarter of 2015 from the carriers. Discussion held by Trustees, staff, and benefits consultant regarding HMSA and CVS Caremark performance guarantee reporting. HMSA will report back to the benefits consultant on the rounding off for financial accuracy and CVS Caremark will reflect the results for mailing materials to new enrollees for both active and retiree plans in their next report.

B. Administrator

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

1. Expanding EUTF's office space

Chairperson Nip thanked the EUTF staff and all involved for doing a seamless transition for the EUTF office move. Mr. Derek Mizuno reported that Ms. Donna Tonaki was in charge of the EUTF office expansion.

2. Death checks

Discussion held by Trustees and staff on what happens with the GRS database that identified 21 who are deceased. The EUTF staff will terminate the 21 deceased retroactive to the death date.

3. Adult disabled child project

Mr. Mizuno summarized the update on the adult disabled child project.

4. Student certification project (no discussion held)
 5. October 27, 2015 Letters from Hawaii Civil Rights Commission (no discussion held)
 6. HMSA covering chiropractic services (no discussion held)
 7. HMSA limited prescription drug benefits (no discussion held)
 8. HMSA specialty prescription drug benefits (no discussion held)

 9. HMSA Framework of their new payment model
Mr. Mizuno reported that HMSA did a presentation for the EUTF staff in February describing how they are changing how they reimburse their primary care providers. HMSA will do a similar presentation to the Board in May.
- C. EUTF Managers' and Program Specialist Operations Reports
- The EUTF Managers' and Program Specialist Operations Reports were in the Board's packet.
- As requested by the Board, the EUTF staff will use the same dates for their monthly reports.
1. Member Services Branch (MSB)
 - a. MSB Data
 - b. MSB Customer Service Improvement Project – Survey Results
 - c. MSB Staffing Update
 - d. Carrier Reports

 2. Information Systems (IS)
 - a. Active Employee's Open Enrollment 2016

 - b. V3 BAS Modified Phase II (Employer File Feed)
Discussion held by Trustees and staff that the EUTF staff revised the timeline due to other priorities and not due to Vitech.

 - c. Vitech Rebill Issue
Discussion held by the Trustees and staff regarding progress that Vitech and the EUTF has made and how EUTF will be implementing their logic for Vitech to follow. With these changes, the EUTF staff will not be prohibited to make modifications, upgrades, and changes if needed.

 - d. Oracle Database Upgrade and Encryption
 - e. EUTF Computer Encryption
 - f. EUTF Move to 16th and 17th Floors
 - g. Maui Memorial, Kula Community and Lanai Community Hospitals Electronic Termination
 - h. Enrollment Counts

3. Program Specialist Report
 - a. Wellness and Preventive Benefits
 - b. Disease Management (DM) Benefits
 - c. Plan Audits

4. Financial Services Branch
 - a. Management Letter Corrective Action Plan Status
 - b. Financial Services Branch Staffing Update

 - c. Financial Statements as of January 31, 2016
Ms. Donna Tonaki summarized the financial statements as of January 31, 2016 with the experience accounting for the self-funded plans. Discussion held by Trustees and staff regarding forfeitures for the Premium Conversion Plan (PCP) that is paid to the Department of Human Resources and Development (DHRD), the excess of revenues/expenses, and Medicare Part B reimbursements. As of March 21, 2016 the value of the Other Post-Employment Benefits (OPEB) fund is now over \$1 billion.

D. Carrier Reports

1. CVS Caremark
Written report submitted.
Mr. Sandra Benevides introduced Ms. Melissa Maino who will replace Mr. Andrew Elliott's position. Ms. Benevides summarized CVS Caremark's compound activity reports for actives and retirees.

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. April 26, 2016, 9:00 a.m. – Regular Board Meeting

IX. ADJOURNMENT

MOTION was made for the Board to adjourn meeting at 11:45 a.m. (Becker/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Respectfully submitted,

/s/

Audrey Hidano, Secretary-Treasurer

APPROVED on April 26, 2016 as amended.

Documents Distributed:

1. 12/9/15 Board Minutes with Amended Motion, page 11. (1 page)
2. Draft Board Minutes of 2/23/16. (7 pages)
3. EUTF Bill List dated 3/22/16 with Attachments. (12 pages)
4. House Resolution No. 120 dated 3/11/16. (3 pages)
5. House Resolution 10 and House Concurrent Resolution 38 dated 3/11/16. (3 pages)
6. Administrator's Monthly Report to the Board from 2/17/16-3/18/16. (3 pages)
7. Memorandum to BOT from MSB Manager Regarding February 2016 MSB Monthly Report dated 3/14/16. (6 pages)
8. Memorandum to BOT from IS Analyst Regarding February IS Operations Report dated 3/11/16. (11 pages)
9. Memorandum to Administrator from Program Specialist Regarding February 2016 Monthly Report dated 3/14/16. (2 pages)
10. Memorandum to BOT from Assistant Administrator Regarding Financial Services Branch (FSB) Report for March 22, 2016 BOT Meeting dated 3/11/16. (2 pages)
11. EUTF Enterprise (Actives) Statement of Net Position 7 Months Ended January 31, 2016 (Preliminary-Unaudited) dated 3/16/16, EUTF Enterprise (Actives) Statement of Revenue, Expenses and Changes in Net Position 7 Months ended January 31, 2016 (Preliminary-Unaudited) dated 3/16/16, EUTF Agency (Retirees) – Statement of Fiduciary Net Position 7 Months Ended January 31, 2016 (Preliminary-Unaudited) dated 3/16/16, EUTF Agency

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

March 22, 2016 Minutes

Page 7

- (Retirees) – Statement of Revenue and Expenses and Changes in Net Position 7 Months Ended January 31, 2016 (Preliminary-Unaudited) dated 3/16/16, EUTF OPEB Statement of Net Position 7 Months Ended January 31, 2016 (Preliminary-Unaudited) dated 3/16/16, EUTF OPEB Statement of Revenue and Expenses 7 Months Ended January 31, 2016 (Preliminary-Unaudited) dated 3/16/16. (6 pages)
12. Experience Accounting of CVS Caremark Actives Self-Funded Plans Summary of FYE 6/30/2014 & FYE 6/30/2015, dated 3/9/16, Experience Accounting of CVS Caremark Non-Medicare Retirees Self-Funded Plan Summary of FYE 6/30/2015 & FYE 6/30/2016, dated 3/9/16, Experience Accounting of SilverScript Medicare Retirees Self-Funded Plan Summary of FYE 6/30/2015 & FYE 6/30/2016, dated 3/9/16. (3 pages)
 13. CVS Caremark Monthly Carrier Report for February 2016 dated 3/10/16. (18 pages)
 14. SilverScript Monthly Carrier Report for February 2016 dated 3/9/16. (4 pages)
 15. HDS Monthly Carrier Report for February 2016 dated 3/10/16. (3 pages)
 16. HMSA Monthly Carrier Report for February 2016 dated 3/14/16. (2 pages)
 17. Kaiser Monthly Carrier Report for February 2016 dated 3/10/16. (3 pages)
 18. Royal State Insurance Monthly Carrier Reports for February 2016 (Chiropractic and Supplemental Medical Plans) dated 3/9/16. (4 pages)
 19. UnitedHealthcare Monthly Carrier Report for February 2016 dated 3/2/16. (1 page)
 20. US Able Life Monthly Carrier Report for February 2016 dated 3/10/16. (2 pages)
 21. VSP Monthly Carrier Report for February 2016 dated 3/9/16. (8 pages)