

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
January 10, 2014

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson
Mr. Dean Hirata

Ms. Karolyn Mossman

TRUSTEES ABSENT

Mr. Clifford Uwaine

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Ms. Sandra Yahiro, Acting Administrator
Ms. Donna Tonaki
Ms. Maria Quartero

Mr. Raymond Kan

OTHERS PRESENT

Ms. Cheryl Archer, Royal State
Mr. Gary Asato, HDS
Ms. Sandra Benevides, CVS Caremark
Ms. Monica Engle, VSP

Mr. Myles Kiyabu, Royal State
Mr. Ryan Kobayashi, C&C, DHR
Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 3:01 p.m. by Trustee Audrey Hidano, Chairperson, in the EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Friday, January 10, 2014.

II. APPROVAL OF MINUTES

A. October 16, 2013

The Administrative Committee reviewed the draft minutes of October 16, 2013.

MOTION was made for the Administrative Committee to approve the minutes of October 16, 2013 as circulated. (Hirata/Mossman) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

III. OLD BUSINESS

A. EUTF Internal Controls Status Update

Ms. Sandra Yahiro reported that the EUTF staff is still reviewing the EUTF Internal Controls report and is almost complete. The Acting Administrator will e-mail the EUTF Internal Controls list to the Committee members for review before the next Board meeting.

B. Administrative Rules Revision Project Status Update

Ms. Yahiro reported that the Administrative Rules revisions were sent for consultation to the employers and unions on December 26, 2013 and comments are due on February 7, 2014. Trustee Mossman requested that Administrative Rules change for 4.10(c) be added as an agenda item for the next Board meeting. The issue is whether the Board will require allowing an employee to make a change in their plan if they have a significant change in their premium when moving from job to job even within the same department.

C. EUTF 2014 Legislation

Overview by Ms. Yahiro regarding legislative proposals related to the EUTF. Discussion held by Trustees and staff regarding the following bills: (1) HB1439 Relating to Reporting Deaths to State Agencies. The Administrative Committee supports HB1439 and BUF05 related to sharing death information with agencies. (2) HB1459 Relating to Insurance and how OPEB liability/prefunding would be affected. Ms. Yahiro will check if this bill were to pass how it would affect the OPEB liability. (3) HB2265 Relating to the EUTF Task Force being extended to the next fiscal year. (4) SB946 Relating to Resolving the Unfunded Liabilities of the State and Counties. The Administrative Committee opposes this bill. Mr. Tom Morrison joined meeting via conference call at 3:27 p.m. and was asked to explain to the Committee how making EUTF a captive insurance would eliminate/reduce OPEB liability. Mr. Morrison explained and discussed with the Committee: (a) the Captive Insurance would be strictly to manage the insurance risk not the administrative part of processing claims; (b) The EUTF's role if this bill passed; (c) private entities that have Captive Insurance; (d) pros/cons of having a captive insurance vs. self insurance. The Trustees expressed that they do not see any advantages to Captive Insurance because the tax advantage would not apply and the administrative costs would be high. The Committee opposes the bill, but would like to respond with reasons to opposing bill. Chair Hidano stated the Committee's recommendation is to remain opposed until more information is received. Discussion continued by Trustees, staff, and benefits consultant regarding the following bills: (5) HB65 Related to Prescription Drugs. The report to the legislature was submitted with amendment as recommended by the Board to include that the information is only for two months. The EUTF has requested that CVS Caremark keep data on the differences before and after HB65 was implemented. (6) HCR81 Related to Tricare. The EUTF submitted a response during the 2013 legislative session and will take no further action. A copy of the response to the legislature will be given to the Board. (7) HB1177, HD1 Relating to the EUTF Fund on appointment/termination dates, composition of the EUTF Board, and sub boards. The Board previously opposed this bill. The Committee opposes this bill in its current form.

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MOTION was made upon the recommendation of the Administrative Committee for the Board to oppose HB1177, HD1. (Hirata/Hidano) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

IV. EXECUTIVE SESSION

MOTION was made to move into Executive Session at 4:15 p.m. (Hirata/Mossman) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

Executive Session adjourned at 4:31 p.m.

V. FUTURE AGENDA ITEMS DISCUSSION AND NEXT MEETING DATE

VI. ADJOURNMENT

MOTION was made to adjourn the meeting at 4:32 p.m. (Mossman/Hirata) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

Respectfully submitted,

/s/

Audrey Hidano, Chairperson

APPROVED on August 22, 2014.

DOCUMENTS DISTRIBUTED:

1. Draft Minutes for 10/16/13. (3 pages)
2. 2013 EUTF Legislative Log dated 1/8/14. (5 pages)