

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
June 25, 2013

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson
Mr. Dean Hirata

Ms. Karolyn Mossman
Mr. Clifford Uwaine (arrived 8:08 am)

TRUSTEES ABSENT: None

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

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

Mr. Tom Morrison, Benefits Consultant
Mr. Bert Nishihara
Ms. Kathleen Shiroma
Ms. Nicole Wong

OTHERS PRESENT

Ms. Sandra Benevides, CVS Caremark
Mr. Andrew Elliott, CVS Caremark
Ms. Monica Engle, VSP

Ms. Elaine Fujiwara, HDS
Ms. Lynne Miura, Royal State National
Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 8:00 a.m. by Trustee Audrey Hidano, Chairperson, in the EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Tuesday, June 25, 2013.

II. APPROVAL OF MINUTES

May 31, 2013

The draft minutes for May 31, 2013 are not ready for review and deferred until the next Administrative Committee meeting.

MOTION was made to take agenda items IV. and V. out of order. (Mossman/Hirata)
The motion passed. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

IV. OLD BUSINESS

A. EUTF Administrative Rules Revisions

Ms. Sandra Yahiro reported, in the last Administrative Committee meeting, there was discussion regarding Rule 4:10(c) Continuation of Coverage when employees can change plans. At the last meeting, the Committee was led to believe orally if someone had a significant change in premium, that they should be allowed to change plans, even within the same employer. After further discussion with the benefits consultant after the Administrative Committee meeting, that information was

incorrect. There is no requirement that when you change jobs within the same employer that results in a significant increase in the employee's cost for plans, that the EUTF must allow the employee to change. However, as presented at the last Committee meeting and now, the Rule has to be changed to allow someone to change plans only when they change employer not within employers. Discussion held by Trustees, staff, and benefits consultant clarifying that there are two rules that govern election; one is the IRS Premium Conversion Rule, which says an employee may be allowed to change coverage level if there is a significant change in contribution versus the HIPAA Rules which say employers must allow an enrollment change if employees change employers. Trustee Mossman requested for a copy of the Statute and the comment Mr. Morrison made in an e-mail. The Acting Administrator recommends that the Administrative Committee approve the changes as presented at the last Administrative Committee meeting and today.

As requested by the Administrative Committee, Rule 5.06(a)(b)(c) Reinstatement of Enrollment; Effective Dates of Reinstatement, the third option was added back to the Rules.

Ms. Yahiro reported that items Nos. 1 and 2 were inadvertently deleted under Rule 5.03(a) Mandatory Enrollment in Medicare Part B for Retired Employees and the correction has been made. There being no objections by the Trustees, items Nos. 1 and 2 will remain in Rule 5.03(a).

B. Retirees Who Reside Outside U.S. Enrolled in Medicare Part D

Ms. Sandi Yahiro summarized what was discussed at the last Administrative Committee regarding Medicare retirees living outside the United States that after six months they cannot be enrolled in Medicare Part D. This is a CMS rule. A chart showing the count of Medicare retirees living outside of the United States was distributed to the Administrative Committee. Mr. Tom Morrison reported CVS Caremark's response on the limitations of receiving a prescription benefit when living outside of the United States which is a CMS rule: individuals who permanently reside outside of the United States who do not use the military APO Box to get their prescriptions filled are limited to submitting a paper claim the amount reimbursed to them would be the same cost had the prescription been filled under one of the United States pharmacy contracts. In many cases their actual reimbursement of a claim is very small (such as \$10). Currently, this is limited to one year by CVS Caremark. Discussion held by Trustees, staff, and benefits consultant that there could be an argument of what the retirees are entitled to. The retirees are probably in the commercial plan now and Trustees questioned if the one year limitation can be changed. Ms. Sandra Benevides from CVS Caremark stated she will follow-up on the origin of why the plan is the way it is and if the time period can be changed. Ms. Benevides also added that normally doctors in the United States will only fill a prescription for one year. Ms. Benevides will also check how long a foreign doctor normally fills a prescription. Discussion held by Trustees,

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staff, and benefits consultant that if you have a foreign address, the retiree is no longer eligible to be enrolled in the Kaiser Senior Advantage program and Kaiser moves the retiree into the non-Medicare plan. If the retiree is out of the Kaiser service area, there is a State law that says Kaiser cannot enroll that individual. Mr. Troy Tomita from Kaiser stated Kaiser has not taken any action in changing the retirees status.

V. NEW BUSINESS

A. Internal Controls

Ms. Sandra Yahiro reported that she and Ms. Donna Tonaki will be meeting with the EUTF managers in the next couple of days to complete the self-assessment. The Internal Controls report will be presented at the next Administrative Committee meeting.

III. EXECUTIVE SESSION

MOTION was made to move into Executive Session at 8:30 a.m. (Mossman/Uwaine) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

Executive Session adjourned at 9:01 a.m.

Chair Hidano reported that the Administrative Committee is moving forward on the RFP for medical and prescription drugs to comply with Federal regulations.

VI. FUTURE AGENDA ITEMS DISCUSSION and NEXT MEETING DATE

The next Administrative Committee meeting will be held on Monday, July 22, 2013 at 12:30 p.m.

VII. ADJOURNMENT

There being no objections by the Trustees, the meeting adjourned at 9:02 a.m.

Respectfully submitted,

/s/

Audrey Hidano, Chairperson

APPROVED on July 22, 2013.

DOCUMENTS DISTRIBUTED:

1. Chart showing Count Medicare Retiree Living Outside of the United States as of 6/6/13. (1 page)