

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
July 22, 2013

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson
Mr. Dean Hirata (arrived 12:38 pm)

Ms. Karolyn Mossman
Mr. Clifford Uwaine

TRUSTEES ABSENT: None

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

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

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

OTHERS PRESENT

Mr. Gary Asato, HDS
Mr. Andrew Elliott, CVS Caremark
Ms. Monica Engle, VSP
Ms. Elaine Fujiwara, HDS

Ms. Lynne Miura, Royal State National
Ms. Lori Nishimura, C&C, HR
Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 12:36 p.m. by Trustee Audrey Hidano, Chairperson, in the EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Monday, July 22, 2013.

II. APPROVAL OF MINUTES

A. May 31, 2013

The Administrative Committee reviewed the draft minutes of May 31, 2013.

MOTION was made for the Administrative Committee to approve the minutes of May 31, 2013 as circulated. (Mossman/Uwaine) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

B. June 25, 2013

The Administrative Committee reviewed the draft minutes of June 25, 2013.

MOTION was made for the Administrative Committee to approve the minutes of June 25, 2013 as circulated. (Mossman/Uwaine) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

III. EARLY RETIREE REINSURANCE PROGRAM (ERRP) RECALCULATION OF CLAIMS STATUS UPDATE

Ms. Sandra Yahiro reported that the EUTF will meet the deadline for the ERRP recalculation of claims. All vendors submitted information to Aon. Aon will upload to the federal website today. Discussion held by Trustees, staff, and benefits consultant that at this time the EUTF does not know if there are any adjustments to data that have caused any money to be returned and/or to be paid out. [Trustee Hirata arrived at 12:38 p.m.]

IV. RETIREES WHO RESIDE OUTSIDE U.S. ENROLLED IN MEDICARE PART D

Ms. Sandra Yahiro summarized what was presented at the last Committee meeting: if you are a Medicare retiree living outside of the United States for more than six months, CMS will terminate the retiree from the Medicare Part D drug plan. The issue is whether the EUTF would cover the retirees under the non-Medicare commercial drug plan if they are terminated from the Medicare Part D drug plan. Since the EUTF Rules do not address this question one way or the other, the EUTF should cover these retirees under the non-Medicare commercial drug plan. At the Committee's request, the updated count for retirees under Medicare is 55 and for retirees under non-Medicare 94 as of July 17, 2013. CVS Caremark covers only one year for those in the commercial drug plan living outside of the United States. Ms. Sandra Benevides stated, in her e-mail on 7/16/13, that it is an internal decision by CVS Caremark to cover only one year for those in the commercial drug plan living outside of the United States, but the EUTF could choose to override and pay the claim. Ms. Yahiro recommends that the EUTF leave it as one year and handle it on a case to case basis. Ms. Yahiro stated overrides happen infrequently. Discussion held by Trustees, staff, benefits consultant, and Mr. Andrew Elliott from CVS Caremark that there have not been claims for people living outside of the United States within a year. Mr. Tom Morrison stated he is concerned because one year is arbitrary, and unless an individual knows they can appeal the rejection after one year the individual may lose coverage. Mr. Morrison expressed concern that these people are getting a different benefit with limitation for no reason other than an internal administrative issue within CVS Caremark that this Committee may be recommending for adoption. Mr. Morrison is concerned about imposing a one year limitation and forcing the member to request an override as opposed to saying we will cover these retirees living outside the U.S. They are only going to get reimbursed the U.S. equivalent, which is a small amount and will need to submit a paper claim. Discussion held by Trustees, staff, and benefits consultant that this information be clearly communicated and written in Reference Guides, FAQs, etc. for the retiree. Further discussion by Trustees, staff, and benefits consultant regarding Ms. Sandra Benevides' email on one year limitation for prescription drugs and if the Committee recommends a change to limit it to a year, the EUTF Rules will need to be changed.

MOTION was made to recommend the Board approve that since the Administrative Rules do not address this, there should be no Rule change, and as such, no limit of one year for retirees living outside the U.S. (Hirata/Mossman) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

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V. EUTF INTERNAL CONTROLS

Overview by Ms. Sandra Yahiro regarding the report on the EUTF internal controls. A meeting will be held with Mr. Wayne Chu, from DAGS Audit Division, on July 29, 2013 to discuss the next steps and recommendations of the EUTF Internal Controls report. Discussion held by Trustees, staff, and benefits consultant that some of the items listed on the report seem like they are easy to achieve and could be done. Further discussion held by Trustees, staff, and benefits consultant that this report is being done because DAGS Audit recommends that departments do an Internal Controls report. The EUTF staff will add a status column on the next report to the Committee and assess which controls are easy and relatively quick to implement and work on implementing them.

VI. EXECUTIVE SESSION

MOTION was made to move into Executive Session at 1:10 p.m. (Hirata/Mossman)
The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

Executive Session adjourned at 1:52 p.m.

Chair Hidano reported that the Administrative Committee is moving forward on the RFP for Actuarial Consultant to be discussed at the Board meeting in Executive Session.

VII. FUTURE AGENDA ITEMS DISCUSSION AND NEXT MEETING DATE

The next Administrative Committee meeting will be held on Monday, August 19, 2013 at 9:00 a.m.

VIII. ADJOURNMENT

There being no objections by the Trustees, the meeting adjourned at 2:00 p.m.

Respectfully submitted,

/s/

Audrey Hidano, Chairperson

APPROVED on October 16, 2013.

DOCUMENTS DISTRIBUTED:

1. Draft Minutes for 5/31/13. (5 pages)
2. Draft Minutes for 6/25/13 (3 pages)