

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
July 14, 2014

TRUSTEES PRESENT

Ms. Barbara Krieg, Chairperson	Mr. Luis Salaveria
Ms. Linda Currivan Musto	Ms. Maria Zielinski (arrived 1:03 pm)
Ms. Karolyn Mossman (via conference call)	

TRUSTEES ABSENT

Mr. Clifford Uwaine

ATTORNEY:

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Ms. Sandra Yahiro, Administrator	Mr. Tom Morrison, Benefits Consultant
Mr. Derek Mizuno, Assistant Administrator	Ms. Bonny Kahalewai
Ms. Maria Quartero	Mr. Raymond Kan
Mr. Adam Dreher	Ms. Donna Tonaki
Ms. Lauren Endo	Ms. Nicole Wong

OTHERS PRESENT

Ms. Cheryl Archer, Royal State	Mr. Galen Haneda, HMSA
Mr. Gary Asato, HDS	Ms. Kristi Katayama, USABLE Life
Ms. Sandra Benevides, CVS Caremark	Ms. Monica Kim, VSP
Mr. Andrew Elliott, CVS Caremark	Mr. Teruo Nagasako, HMSA
Ms. Kathy Fay, HDS	Mr. Dan Purcell, Public
Mr. Christian Fern, HMSA	Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 1:00 p.m. by Trustee Barbara Krieg, Chairperson, in EUTF Conference Room, City Financial Tower, Honolulu, Hawaii, on Monday, July 14, 2014.

II. APPROVAL OF MINUTES

A. June 2, 2014

The Benefits Committee reviewed the draft minutes of June 2, 2014. [Trustee Zielinski arrived at 1:03 p.m.]

MOTION was made to approve the minutes of June 2, 2014 as circulated. (Salaveria/Currivan/Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

III. NEW BUSINESS

A. Reinstate Coverage for Halau Lokahi Employees

Ms. Sandra Yahiro summarized the history regarding Halau Lokahi employees and that EUTF terminated their coverages effective May 31, 2014. Discussion held by Trustees and staff on whether the EUTF should reinstate Halau Lokahi employees' coverage. The Committee felt they did not have enough information to make any recommendation.

B. Screening Colonoscopies for non-Medicare Retirees

Ms. Sandra Yahiro summarized the coverage for screening colonoscopies that is covered for active employees and is not a covered benefit for retirees. HMSA informed EUTF it would cost approximately \$1,277,760 annually to add the benefit to the retiree plans. Discussion held by Trustees, staff, and benefits consultant regarding coverage for colonoscopies and that adding the benefit may reduce costs in the long run since it may detect a serious problem earlier. The Administrator's recommendation is not to enhance or decrease benefits for retirees due to the Dannenberg lawsuit. After discussion by Trustees, staff, and benefits consultant, the Committee asked staff to provide additional information at the next meeting.

C. Enhanced Dental Benefits

Mr. Tom Morrison of Segal informed the Committee that during the recent Dental RFP process bidders were asked to price enhanced benefits for both active employees and retirees and summarized the enhanced dental benefits. Discussion held by Trustees, staff, and benefits consultant regarding the costs and the Dannenberg lawsuit.

MOTION was made to recommend that the Board approve enhancing the retiree dental benefits, effective January 1, 2015, by adding 1 additional children's fluoride treatment per year for children under 19, and improving the implant benefit with surgical placement of endosteal implant and abutment, once per tooth every five years, with coverage at 60% excluding HSTA VB retirees as presented by the benefits consultant. (Mossman/Zielinski) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

MOTION was made to recommend that the Board approve enhancing the active dental benefits, effective January 1, 2015, by increasing maximum per plan year to \$2,500, adding 1 additional children's fluoride treatment per year for children under 19, and improving the implant benefit with surgical placement of endosteal implant and abutment, once per tooth every five years, with coverage at 60% excluding HSTA VB actives as presented by the benefits consultant. (Mossman/Currivan Musto)

Further discussion by Trustees, staff, and benefits consultant regarding the costs, the Dannenberg lawsuit, and that any increase will affect the OPEB liability. Chairperson Krieg asked for an update by the Attorney General's office on the status

of the Dannenberg lawsuit and a reminder or clarification in terms of what the EUTF should be considering in terms of the effects of that lawsuit when the EUTF is addressing additional/enhanced benefits for actives and retirees but defers to the Committee if they want to take action now or defer. There being no objections by the Committee, the staff will ask the Attorney General's office (Mr. Brian Aburano) to give an update on the Dannenberg lawsuit.

After discussion by the Board, staff, and benefits consultant, Trustee Mossman withdrew her Motion to approve enhancing the active employee dental benefits.

D. Covering Spouses in New Part-Time/Temporary Medical Plan for Active Employees Beginning July 1, 2015

Mr. Tom Morrison of Segal informed the Committee that during the recent medical RFP process rates were solicited from the vendors for the new plan for part-time/temporary employees for coverage that includes spouses and excludes spouses, but covers dependent children and summarized the rates. Mr. Morrison informed the Committee that if the plan offers coverage to spouses, those spouses would not be eligible for a subsidy if he/she went to the exchange to purchase insurance. He also reminded the Committee that the part-time/temporary employees are paying 100% of the premium if they choose this plan. Discussion held by Trustees, staff, and benefits consultant regarding the coverage for spouses.

MOTION was made to recommend that the Board approve excluding spouses in the new medical/drug plan created for temporary and part-time employees effective July 1, 2015. (Salaveria/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

E. Coordination of Benefits for Specialty Prescription Drugs

Ms. Sandra Yahiro informed the Committee that currently, for *non-specialty* drugs, employees who have dual coverage, with EUTF's plan being secondary, can walk out of the pharmacy with a \$0 copay. However, for *specialty* drugs, employees who have dual coverage, with EUTF's plan being secondary, may have to pay a co-pay. Example, if a specialty drug costs \$1,000 and the primary plans pays 50%; the employee's copay would be \$500. Currently, EUTF's plan would pay \$300 as secondary coverage and the employee would pay a \$200 copay. Mr. Tom Morrison informed the Committee that specialty medications are increasing both in cost and usage and that enhancing the coordination of benefits to more closely follow the non-specialty coordination of benefits would not only cost the plan additional money now, but would continue to increase costs. Discussion held by Trustees, staff, and benefits consultant whether to leave the coordination of benefits as it is currently being administered, or to enhance it to more closely follow the non-specialty medications. There being no objections by the Committee, no action was taken.

F. Information on Plan Designs of Employers Across the Nation As Compared to EUTF Plans

Ms. Sandra Yahiro provided the Committee with her presentation on what other plans across the nation are doing regarding their plan designs and some potential EUTF plan design changes for the active employee plans. As requested by the Committee, the Administrator will provide more information at the next Benefits Committee meeting.

G. 7 Sure Things to Help You Know Where to Go Next With Your Prescription Benefit by CVS Caremark

Ms. Sandra Benevides and Mr. Andrew Elliott from CVS Caremark briefed the Committee on their publication titled “7 Sure Things to Help You Know Where to Go Next With Your Prescription Benefit”, which covered prescription drug trends, including:

- Prescription trend is on the rise;
- Generics have peaked;
- Specialty drives trend;
- Price is king;
- Money matters to members;
- Adherence is the answer;
- Past performance is no guarantee of future results.

IV. ADJOURNMENT

MOTION was made to adjourn the meeting at 4:02 p.m. (Salaveria/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

Respectfully submitted,

/s/

Barbara Krieg, Chairperson

APPROVED on November 21, 2014.

DOCUMENTS DISTRIBUTED:

1. Draft Benefits Committee Minutes of 6/2/14. (6 pages)
2. CVS Caremark, Coordination of Benefits (COB) for Specialty Medications as a Secondary Plan. (2 pages)
3. Email from HMSA Regarding Screen Colonoscopy dated 7/10/14. (1 page)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Benefits Committee Meeting

July 14, 2014 Minutes

Page 5

4. Presentation on “Information on Plan Designs of Employers Across the Nation as Compared to EUTF Plans” dated 7/10/14 by the EUTF Administrator. (19 pages)
5. Segal Survey “2012 Study of State Employee Health Benefits”, Spring 2013. (8 pages)
6. 2014 Segal Health Plan Cost Trend Survey, “Slowest Rate of Increase in Health Plan Cost Trends in 14 Years Projected for 2014”. (6 pages)
7. Insights 2014, “7 Sure Things to Help You Know Where to Go Next With Your Prescription Benefit by CVS Caremark (18 pages)
8. Health and Well-being Touchstone Survey results”, June 2013 by PricewaterhouseCoopers (pwc). (68 pages)