

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Benefits Committee Meeting  
November 27, 2006

TRUSTEES PRESENT

Mr. Guy Tajiri, Acting Chairperson  
Mr. John Radcliffe (arrived at 1:10 pm)

Mr. Stanley Shiraki  
Ms. Katherine Thomason

TRUSTEES ABSENT

Ms. Elizabeth Ho, Chairperson  
Mr. Nelson Befitel

GUEST TRUSTEE

Mr. Gerald Machida  
Mr. Mark Recktenwald (arrived at 1:10 pm)

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. James Williams, Administrator  
Mr. Lawrence Nishihara  
Ms. Maria Quartero  
Ms. Kathleen Shiroma

Mr. John Garner, Consultant  
Ms. Rebecca Reagan, Consultant  
Ms. Donna Tonaki

OTHERS PRESENT

Ms. Sandra Benevides, Kaiser Permanente  
Ms. Monica Engle, VSP  
Ms. Elaine Fujiwara, HDS  
Ms. Jeri Kakuno, MDX Hawaii

Mr. Eleu Kane, Summerlin  
Mr. Rod Tam, HMSA  
Mr. George Yamamoto, HGEA-R

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 1:05 p.m. by Acting Chairperson Guy Tajiri in Conference Room 1935, City Financial Tower, 201 Merchant Street, Honolulu, Hawaii, on Monday, November 27, 2006.

II. APPROVAL OF MINUTES

The Committee reviewed the draft minutes for July 27, 2006.

There being no objections by the Trustees, the minutes for July 27, 2006 were approved as circulated.

III. REPORTS

- A. Administrator: None
- B. Deputy Attorney General: None
- C. Benefits Consultant: None

IV. UNFINISHED BUSINESS: None

V. NEW BUSINESS

- A. Benefit Plan Design

Overview by Mr. John Garner regarding the benefit plan design that will be discussed further in Executive Session. Garner Consulting is suggesting the following for the Board to consider:

- (1) Chiropractic coverage – Garner Consulting is not suggesting any changes.
- (2) Dental benefits – There are some changes that Garner would like the Board to discuss. There is something called evidence based medicine that was discussed in the past. It is now in dentistry called evidence based dentistry. There are certain things that are good and bad for people that studies are showing. Garner Consulting would like the Board to consider modifying the dental plan to reflect those. For instance; too much exposure to radiation is bad. It would be better for members to cut down on the frequency of certain x-rays. Similarly, there are certain medical conditions that require more frequent periodontal cleaning, for instance; people with diabetes need to avoid infections and having the periodontal cleaning can help that. The frequency of periodontal cleanings would be increased for people who have diabetes. There are some conflicting studies that some studies indicate that infections in the mouth can trigger pre-term labor. That problem could be avoided if pregnant women could have more periodontal cleanings. Also Garner Consulting would like the Board to consider increasing the dental deductible that is currently \$25.00 to increase it to \$50.00.
- (3) Vision plan – Garner Consulting would like the Board to consider increasing some of the scheduled allowances. There are certain dollar amounts that people can get like frames and those have not been changed since the creation of the EUTF. It makes sense to increase those amounts. Garner Consulting would like to discuss the possibility of creating separate benefits for frames and contact lenses. It is now a combined benefit and someone can get one or the other but not both at same time. Trustees Radcliffe and Recktenwald arrived at 1:10 p.m.
- (4) Life Insurance – Garner Consulting would like the Board to consider modifying the amounts in accordance with the proposal which the Evaluation Committee has seen the amounts.
- (5) Dual coverage – Garner Consulting has no suggestions, other than the possibility of making a change to reflect the change in the tiering. One of the issues that need to be discussed is whether or not to change from the current two-tier rate (single and family rates) to a three or four-tier rate. If the EUTF were to make that change then a plan design such as the one Royal State has now would no longer make sense and it would have to be modified to reflect the new tiering structure.
- (6) Tricare supplement plan – There is new legislation that has been passed over a month ago designed to hold down the defense department budget by making it illegal for employers to contribute to the cost of Tricare supplement plans. There are some gray areas with regard to this but given the uncertainties surrounding this, Garner Consulting is recommending that there not be a Tricare supplement plan.

- (7) High Deductible Health Plan – A proposal was submitted and will be discussed with the Board.
- (8) HMO – Similar issues as Garner stated in terms of dental and vision in moving up dollar amounts and the possibility of changing co-payments amounts.
- (9) PPO – Proposals were solicited both for the current PPO plan design and for the most prevalent plan in the community. Some of the pros/cons of different elements of the PPO plans will be discussed.
- (10) Prescription Drug plan – proposals were solicited for a percentage amount, so it would be 90% co-insurance rather than the different co-payments for generic, preferred brand, and non-preferred brand. The cost implications of a change like that will also be discussed.

Members of the public did not have any comments or questions regarding Mr. Garner's summary of proposed benefit changes.

- B. Benefit Plan Rate Tiering  
This item will be discussed in Executive Session.
- C. RFP No. 07-001 Benefit Plans-Contract Award  
This item will be discussed in Executive Session.

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES  
There was no communication from the public.

MOTION was made to move into Executive Session for the reasons stated on the agenda at 1:15 p.m. (Thomason/Radcliffe) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

MOTION was made to move out of Executive Session at 4:02 p.m. (Shiraki/Radcliffe) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

VII. ADJOURNMENT  
There being no objections by the Trustees, the Benefits Committee meeting adjourned at 4:03 p.m.

Respectfully submitted,

/s/

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Elizabeth C. Ho, Chairperson

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DOCUMENTS DISTRIBUTED:

1. Draft Minutes of 7/27/06. (2 pages)
2. EUTF Benefits Committee Plan Design Changes for Discussion dated. 11/27/06. (1 page)
3. Approved Minutes of 2/22/06. (2 pages)