

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
November 21, 2014

TRUSTEES PRESENT

Mr. Luis Salaveria
Ms. Linda Currivan Musto

Ms. Karolyn Mossman
Ms. Maria Zielinski (arrived 9:02 am)

TRUSTEES ABSENT

Ms. Barbara Krieg, Chairperson
Mr. Clifford Uwaine

ATTORNEY:

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Ms. Sandra Yahiro, Administrator
Mr. Derek Mizuno, Assistant Administrator
Ms. Maria Quartero
Mr. Adam Dreher
Ms. Lauren Endo

Mr. Robert Mitchell, Benefits Consultant
Ms. Bonny Kahalewai
Mr. Raymond Kan
Ms. Donna Tonaki
Ms. Nicole Wong

OTHERS PRESENT

Ms. Cheryl Archer, Royal State
Ms. Sandra Benevides, CVS Caremark
Mr. Andrew Elliott, CVS Caremark
Mr. Christian Fern, HMSA
Ms. Elaine Fujiwara, HDS
Ms. Carolyn Gire, HMSA
Mr. Galen Haneda, HMSA
Ms. Lisa Hunter, CVS Caremark
Ms. Monica Kim, VSP

Ms. Melissa Kunitake, Kaiser
Mr. Kenneth Lee, Kaiser
Mr. Wes Oda, HMSA
Ms. Kathleen Placko, CVS Caremark
Ms. Cindy Richardson, Kaiser
Dr. Marc Rosen, HMSA
Ms. Melissa Skoczylas, Kaiser
Ms. Mae Lynn Swoboda, Kaiser

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 9:00 a.m. by Trustee Luis Salaveria, in EUTF Conference Room, City Financial Tower, Honolulu, Hawaii, on Friday, November 21, 2014.

MOTION was made to amend the agenda to add Executive Session agenda item at the end of the open session agenda and move agenda item IV.H. Kaiser Plan Design Changes, into Executive Session. (Mossman/Currivan Musto) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

II. APPROVAL OF MINUTES

A. July 14, 2014

The Benefits Committee reviewed the draft minutes of July 14, 2014.

MOTION was made to approve the minutes of July 14, 2014 as circulated. (Currivan Musto/Mossman) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

[Trustee Maria Zielinski arrived at 9:02 a.m.]

III. OLD BUSINESS

A. Screening Colonoscopies for non-Medicare Retirees

Mr. Christian Fern from HMSA summarized history and background information on screening colonoscopies which HMSA implemented in their private industry plans as a benefit when the law passed in 2010. The EUTF non-Medicare retiree plan currently does not cover screening colonoscopies. Screening colonoscopies for HSTA VB members was implemented before coming on board with EUTF.

Ms. Carolyn Gire from HMSA summarized data and appeals denied for screening colonoscopies. Discussion was held by Trustees and HMSA that if a retiree has a family history of colon cancer, then EUTF's non-Medicare plan would cover for screening colonoscopies. Dr. Marc Rosen summarized the types of screening colonoscopies and the pros and cons of screening. HMSA recommends screening colonoscopies. Discussion was held by Trustees, staff, and HMSA regarding the costs, co-payments, cost of adding the benefit for non-Medicare retirees with a co-payment, utilization, that it will affect OPEB liability, and if approved the effective date would be July 1, 2015. Further discussion held by Trustees, staff, and Mr. Christian Fern from HMSA that if HMSA Medicare retirees move out of state that they would still be covered.

MOTION was made to recommend that the Board approve including screening colonoscopies for EUTF non-Medicare retirees with a zero co-payment effective July 1, 2015 (excluding the HSTA VB retiree plans since the coverage already exists for them). (Mossman/Currivan Musto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

MOTION was made to recommend that the Board approve including screening colonoscopies for EUTF Medicare retirees with a zero co-payment effective July 1, 2015 (excluding the HSTA VB retiree plans). (Mossman/Currivan Musto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

Discussion was held by Trustees that the full Board needs to have a discussion. The Administrator will request that all carriers be in attendance and have matrix of all colonoscopy screening coverage for all EUTF/HSTA VB plans and rates increase trend.

B. Medical Plan and/or Prescription Drug Plan Design Changes for Active Employees July 1, 2015

Ms. Sandra Yahiro reviewed the Power Point slides with the Committee that covered deductibles, out-of-network coverage, out-of-network hospice, out-of-network deductibles, office visit co-payments, diagnostic labs, and prescription drug co-payments. The slides included companies between EUTF's current benefit, Segal's Study of States plan designs (2013), HMSA's Large Employers in Hawaii plan design, and HMSA's federal employees (fed plan 878) plan design. The Committee agreed that a more global picture of benefits and benefit changes was needed.

IV. NEW BUSINESS

A. Medicare Part D Late Enrollment Penalty

Ms. Yahiro summarized the history and background information regarding the Medicare Part D late enrollment penalty. The EUTF has been paying the penalty, but is not required to pay it. CVS Caremark could collect the penalty but would charge EUTF \$1 per person, per month. The Administrator recommends that the Board approve not continuing to pay the Medicare Part D late enrollment penalty effective January 1, 2015. Discussion held by Trustees and staff that if the Board approves to discontinue to pay the late enrollment penalty, information will be sent to all those affected.

MOTION was made to recommend that the Board approve to discontinue paying the Medicare Part D late enrollment penalty effective January 1, 2015 and to send information to all those affected. (Currivan Musto/Zielinski) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

B. Affordable Care Act (ACA) Breast Cancer Preventative Drugs

CVS Caremark informed the Committee that ACA required plans to cover, at a \$-0- co-payment, breast cancer drugs for women 35+ for primary preventative diagnosis. However, ACA does not require a \$-0- co-payment when the drugs are used for therapy. Currently, EUTF's co-payment for Tamoxifen and Raloxifene is \$5 per 30 day fill. Discussion held by Trustees and staff whether to change the co-payment from \$5 to \$-0- co-payment for therapy.

MOTION was made to recommend that the Board approve to charge a \$-0- co-payment for breast cancer drug used for prevention as required by ACA for actives. (Mossman/Zielinski) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

C. Maximum Out-of-Pocket (MOOP) – Medical and Prescription Drug – July 1, 2015

Mr. Robert Mitchell summarized background information regarding the ACA out-of-pocket maximum and the benefits consultant recommendations.

MOTION was made to recommend that the Board approve to provide separate MOOP limits which in combination do not exceed the maximum permitted under the

regulation effective July 1, 2015. (Currivan Musto/Zielinski) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

MOTION was made to recommend that the Board approve to change HMSA's MOOPs from the family MOOP being three (3) times the single MOOP to two (2) times the single MOOP to match ACA's MOOP effective July 1, 2015. (Zielinski/Currivan Musto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

MOTION was made to recommend that the Board approve MOOPS for the HMSA 90/10, 80/20 and HMO plans of \$4,100 single/\$8,200 family effective July 1, 2015. (Zielinski/Currivan Musto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

MOTION was made to recommend that the Board approve MOOPS for the HMSA 75/25 plan of \$1,600 single/\$3,200 family effective July 1, 2015. (Mossman/Currivan Musto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

D. Including Nicotrol as a Covered Drug

Ms. Sandra Benevides summarized an option to include Nicotrol as a covered drug.

Discussion was held by Trustees and staff regarding whether to add Nicotrol inhalers as a covered benefit in the prescription drugs plan. The Administrator recommends not adding Nicotrol inhalers. There being no objections by the Trustees, the Committee is not recommending any change.

E. Compound Medications for Commercial Plan and Employer Group Waiver Plan (EGWP)

Ms. Sandra Benevides and Ms. Kathleen Placko informed the Committee that CMS does not cover compounded medications that contain bulk powders and creams; however, because EUTF's plan is an EGWP plan with a commercial wrap, currently compounded medications that contain bulk powders and creams are covered. CVS Caremark recommends excluding powders and creams. Discussion was held by Trustees and staff whether to exclude compounded medications that contain bulk powders and creams for all of CVS's plans.

MOTION was made to recommend that the Board approve excluding bulk powders and creams from coverage for EGWP/Medicare retirees effective July 1, 2015. (Zielinski/Currivan Musto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

MOTION was made to recommend that the Board approve in addition to \$300 Prior Authorization (PA) to exclusion of bulk powders and creams from coverage for

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- actives and Non-Medicare retirees (does not apply to HSTA VB plans) effective July 1, 2015. (Zielinski/Currivan Musto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)
- F. Change in Specialty Copay for Human Immunodeficiency Virus (HIV), Hepatitis B, and Transplant Drugs
Ms. Sandra Benevides informed the Committee that it moved HIV, Hepatitis B, and transplant drugs to the specialty category. Several Trustees expressed their concern that it is discriminatory based on medication and not condition. Discussion was held by Trustees and staff whether to change the co-payments for these drugs to the specialty co-payments (20% up to \$250 per fill). No action was taken by the Committee.
- G. Extended Day Supply Network for Active Employees – July 1, 2015
Ms. Sandra Benevides informed the Committee that it created a new network of pharmacies that EUTF could adopt for employees and non-Medicare retirees who take maintenance medications. Discussion was held by Trustees and staff regarding price and legality. The Administrator will provide additional information.
- H. Kaiser Plan Design Changes for Retirees and Active Employees
This agenda item will be discussed in Executive Session.
- I. Hawaii Medical Service Association's (HMSA) Dashboard
Dashboard presentation by Mr. Christian Fern from HMSA.

[Trustee Zielinski left at 12:11 p.m.]

- V. EXECUTIVE SESSION
MOTION was made for the Benefits Committee to move into Executive Session at 12:11 p.m. for the reasons stated on the amended agenda. (Currivan Musto/Mossman) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

Executive Session adjourned at 1:04 p.m.

VI. ADJOURNMENT

MOTION was made to adjourn the Benefits Committee meeting at 1:06 p.m. (Currivan Musto/Mossman) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

Respectfully submitted,

/s/

Barbara Krieg, Chairperson

APPROVED on September 21, 2015.

DOCUMENTS DISTRIBUTED:

1. Draft Benefits Committee Minutes of 7/14/14. (5 pages)
2. Information on Plan Designs of Employers Across the Nation as Compared to EUTF Plans by the EUTF Administrator dated 11/21/14. (19 pages)
3. Charts of Health Plans for Possible Changes dated 11/19/14. (7 pages)
4. EUTF – Net Savings by Tier. (1 page)
5. Article on Part D Late Enrollment Penalty from Medicare.gov dated 11/17/14. (2 pages)
6. EUTF Late Enrollment Penalty Figures revised 11/20/14. (1 page)
7. Article on “Obamacare Will Cover Breast Cancer Prevention Drugs dated 1/9/14. (2 pages)
8. CVS Caremark - PPACA Requirement for Primary Breast Cancer Prevention dated 11/21/14. (1 page)
9. Memorandum to Benefits Committee from Segal Regarding Maximum Out-of-Pocket for Active Plan Year 2015-2016 dated 11/21/14. (2 pages)
10. Article on “Quitting Smoking Using the Nicotrol Inhaler” dated 11/18/14. (2 pages)
11. CVS Caremark – PPACA Tobacco Cessation Recommendation dated 11/21/14. (1 page)
12. CVS Caremark – Clinical Advisor White Paper, March 2014, Compounded Medications for Topical Use. (6 pages)
13. CVS Caremark – EGWP Compound Utilization Summary dated 11/21/14. (1 page)
14. CVS Caremark – EUTF Compound Query dated 10/2014. (1 page)
15. CVS Caremark – Specialty Extended Classes – EUTF Carriers, Experience Period: Jan-Aug 2014. (1 page)
16. CVS Caremark - Specialty Extended Classes – HSTA VB Carriers, Experience Period: Jan-Aug 2014. (1 page)
17. CVS Caremark – Retail 90 Network Savings – Custom EDS Network dated 11/20/14. (1 page)