I. CALL TO ORDER
The meeting of the Board of Trustees was called to order at 10:01 a.m. by Trustee Celeste Nip, in the EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Monday, September 21, 2015.

II. MINUTES
A. August 25, 2015
The Board reviewed the draft minutes of August 25, 2015. The draft minutes of August 25, 2015 is amended as follows: (1) page 1, line 10, delete “(left 12:58 pm)”; and (2) page 6, line 12, delete “[Trustee Becker left at 12:58 p.m.]”.

MOTION was made for the Board to approve the minutes of August 25, 2015 as amended. (Currivan Musto/Uwaine) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)
III. EXECUTIVE SESSION
MOTION was made for the Board to move into Executive Session at 10:04 a.m. as stated on the agenda. (Hidano/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Executive Session adjourned at 11:39 a.m.

Recessed at 11:39 a.m. and reconvened at 11:44 a.m.

Chairperson Nip reported that the Board has taken the following actions in Executive Session:

1. Approved the Executive Session minutes of August 25, 2015.
2. Approved amending the Segal contract to assist the EUTF with preparing a Request for Proposal (RFP) for carrier audits and to assist the EUTF with overseeing the various audits.
3. Approved one (1) Appeal for retroactive reinstatement of coverage.
4. Approved amending the Segal contract to assist employers with Affordable Care Act (ACA) advice and guidance related to their Employer Reporting Responsibilities, with the employers reimbursing EUTF when using Segal.

IV. OLD BUSINESS
A. Administrative Fee for Retirees for 1/1/16 to 12/31/16 and Actives 7/1/16 to 6/30/17

Recessed at 11:44 a.m. and reconvened at 11:48 a.m.

This item was deferred.

V. NEW BUSINESS
A. EUTF FY17 Budget

Mr. Derek Mizuno summarized the supplemental budget request for FY 2017 (adding five [5] new permanent positions and reclassifying positions). Discussion held by the Trustees, staff, and deputy attorney general regarding the supplemental budget request for FY 2017, process for budget review by the EUTF Administrative Committee before Board’s review, procedures for hiring, funding for the supplemental budget for FY 2017, what would happen if the administrative fees issue is not resolved or voted upon.

Ms. Sandra Yahiro stated, at the last Board meeting, in the absence of a decision by the Board, the EUTF needs to run the office and that the Administrator will make a decision and will use the excess reserves for administrative fees.

MOTION was made for the Board to move into Executive Session at 12:12 p.m. to discuss legal issues regarding administrative fees with the deputy attorney general.
(Currivan Musto/Nishimoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Executive Session adjourned at 12:25 p.m.

MOTION was made for the Board to approve the Supplemental Budget request for FY 2017 for the amount of $517,370.00 as recommended by the EUTF staff. (Uwaine/Currivan Musto) The motion failed. (Employer Trustees-1 YES-Machida, 2 NO-Becker, Nishimoto/Employee-Beneficiary Trustees-4 YES-Currivan Musto, Nip, Pasco, Uwaine)

B. Pharmacy Benefit Manager (PBM) Claims Audit Report
Ms. Yahiro stated that the Claims Audit report is due September 30, 2015. The report is now being distributed to the Board. There being no objections by the Trustees, Segal has met the requirement of submitting the Claims Audit report. The Board may review the report and the presentation will be given by Segal at the next Board meeting.

C. Kaiser Medicare Members Living on Molokai, Lanai, Kauai, and Parts of Hawaii Island (Naalehu, Pahala, Hawaii National Park)
There being no objections by the Trustees, this item is deferred until the next Board meeting.

D. IFEBP Annual Conference, November 8-11, 2015
Ms. Sandra Yahiro reported that the Board previously approved for all Trustees and EUTF staff selected by the Administrator to attend the IFEBP 61st Annual Employee Benefits Conference from November 8-11, 2015. Due to new appointments of EUTF Trustees, the Administrator is requesting that the Board approve Trustees and staff from the list submitted by the Administrator to attend the IFEBP 61st Annual Employee Benefits Conference.

MOTION was made for the Board to approve for the Trustees and staff on the list submitted by the Administrator to attend the IFEBP 61st Annual Employees Benefits Conference from November 8-11, 2015. (Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

The following items are deferred until the next Board meeting.

VI. COMMITTEE REPORTS
   A. Benefits Committee
      1. CVS Prescription Drug Plan
         a. Overview of Plan Performance, Including Trend
         b. Current Programs in Place
         c. Adding Hepatitis C Class of Drugs to the Specialty Step Therapy for EUTF Active Employee and Non-Medicare Retiree Plans
d. Exclude Coverage of Certain Hepatitis C Treatments on EUTF Medicare Retiree Plans

e. Exclude Topical Pain Patches Not Approved by the Federal Drug Administration (FDA) from Active Employee Plans and Retiree Plans

f. Generic Step Therapy
   1. Add Acne Class of Medication Therapy
   2. Change Step Therapy Program From Requiring One Trial of Generics to Two Trials

g. Retail 90 Network

h. Formulary Options

i. Drug Savings Review

2. Medical Plan Design Changes for Active Employees July 1, 2016

3. Hawaii Dental Service Plan Design Change for Active Employees July 1, 2016

4. Vision Service Plan Design Change for Active Employees July 1, 2016

5. EUTF’s Wellness and Disease Management Programs/Activities

VII. REPORTS

A. Administrator

The Administrator’s written report was in the Board’s packet.

1. Vitech Modified Phase II

2. Expanding EUTF’s Office Space

3. EUTF Website Review

4. Vitech Rebill Issue

5. Improve EUTF’s Customer Service

6. Health Benefit Plans Claims Audit

7. Converting EUTF’s Email System to Office365

8. EUTF’s Strategic Plan

9. Wellness Benefits and Disease Management Services

10. Death Validation Project

11. Direct Deposit Project

12. Adult Disabled Child Project

13. Kaiser Senior Advantage Plan Project

B. EUTF Managers’ and Program Specialist Operations Reports

The EUTF Managers’ and Program Specialist written reports were in the Board’s packet.

1. Member Services Branch (MSB)
   a. MSB Data
   b. MSB Staffing Update
   c. Carrier Reports
   d. 2016 Retiree Open Enrollment

2. Information Systems (IS)
   a. V3 BAS Modified Phase II (Employer File Feed)
   b. Microsoft Office 365 Conversion
   c. Oracle Database Upgrade and Encryption
   d. EUTF Local Area Network Server and Workstation Encryption
e. EUTF IS Vacancies
f. Enrollment Counts

3. Program Specialist Report
   a. Wellness Benefits
   b. Disease Management (DM) Services
   c. Population Health Data Report
   d. Plan Audits
   e. Transition From One Vendor to Another

4. Financial Services Branch
   a. Management Letter Corrective Action Plan Status
   b. Financial Audit for Fiscal Year Ending 2015
   c. Financial Services Branch Staffing Update
   d. Financial Statements as of June 30, 2015

C. Segal
   1. Trends 7/1/16 through 6/30/22
   3. Performance Standards Compliance Report
   4. Incurred But Not Reported (IBNR)

D. Carrier Reports
   1. CVS Caremark
      Written report submitted.

   2. SilverScript
      Written report submitted.

   3. Hawaii Dental Service (HDS)
      Written report submitted.

   4. Hawaii Medical Service Association (HMSA)
      Written report submitted.

   5. Kaiser Health Foundation
      Written report submitted.

   6. Royal State Insurance
      Written report submitted.

   7. UnitedHealthcare
      Written report submitted.

   8. USAble Life
      Written report submitted.
9. Vision Service Plan (VSP)
   Written report submitted.

VIII. FUTURE AGENDA ITEMS DISCUSSION AND NEXT MEETING DATE
   A. November 17, 2015, 9:00 a.m. – Regular Board Meeting
      The next regular Board meeting is scheduled for November 17, 2015.

      Discussion was held by the Trustees and staff regarding rescheduling of Board meetings
      and a concern expressed by a Trustee if the Board is doing their due diligence.

IX. ADJOURNMENT
    MOTION was made for the Board to adjourn meeting at 12:44 p.m. (Curivan
    Musto/Uwaine) The motion passed unanimously. (Employer Trustees-3/Employee-
    Beneficiary Trustees-4)

              Respectfully submitted,

              /s/

              Audrey Hidano, Secretary-Treasurer

APPROVED on December 9, 2015.

Documents Distributed:
1. Draft Board Minutes of 8/25/15. (10 pages)
2. Memorandum to BOT from Administrator Regarding EUTF Administrative Fee dated 7/31/15. (5 pages)
3. Memorandum to BOT from Administrator Regarding Unreserved, Unrestricted Net Assets dated 8/19/15. (2 pages)
4. Memorandum to BOT from Administrator Regarding Supplemental Budget Request for FY 2017 dated 9/16/15. (25 pages)
5. Administrator’s Monthly Report to the Board from 8/20/15-9/16/15 dated 9/21/15. (4 pages)
6. EUTF Customer Service Improvement Project Survey Results from 8/2015-9/15/15. (1 page)
7. Customer Service Automated Call Distribution Report for August 2015, September 2015, July to December 2013 and January to December 2014, and January to September 13, 2015 dated 9/14/15. (4 pages)
9. Letter to Parent of Medicare-Age Adult Disabled Child Enrolled in EUTF Retiree Health Benefits Plans Regarding Disability Certification dated 9/16/15. (1 page)
10. Two Letters to Retirees Enrolled in EUTF Kaiser Plan Regarding Senior Advantage Plan dated 9/15/15. (2 pages)
11. Memorandum to BOT from MSB Manager Regarding August 2015 MSB Monthly Report dated 9/14/15. (2 pages)
12. Memorandum to BOT from IS Analyst Regarding August IS Operations Report dated 9/14/15. (11 pages)
13. Memorandum to Administrator from Program Specialist Regarding August 2015 Monthly Report dated 9/11/15. (6 pages)
14. Memorandum to BOT from Financial Management Officer Regarding Financial Services Branch Report for September 21, 2015 BOT Meeting. (2 pages)
20. EUTF Year to Date Contract Plan Experience Report Contract YTD through March 2015 dated 8/25/15. (130 pages)
21. Memorandum to BOT from Segal Regarding Performance Guarantee Reporting for the First Quarter of 2015 dated 8/19/15. (16 pages)
22. Memorandum to BOT from Segal Regarding June 30, 2015 IBNR Calculation dated 7/29/15. (2 pages)
23. CVS Caremark Monthly Carrier Report for August 2015 dated 9/10/15. (17 pages)
25. HDS Monthly Carrier Report for August 2015 dated 9/10/15. (2 pages)
26. HMSA Monthly Carrier Report for August 2015 dated 9/15/15. (2 pages)
30. USAble Life Monthly Carrier Report for August 2015 dated 9/10/15. (2 pages)
31. VSP Monthly Carrier Report for August 2015 dated 9/10/15. (10 pages)