

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Friday, August 12, 2016

TRUSTEES PRESENT

Mr. Roderick Becker, Chairperson	Ms. Celeste Nip
Ms. Audrey Hidano, Vice Chairperson	Mr. James Nishimoto
Mr. Gordon Murakami, Secretary-Treasurer	Dr. Virginia Pressler
Ms. Linda Currivan Musto	Mr. Clifford Uwaine
Mr. Wesley Machida	

TRUSTEES ABSENT

Ms. Julia Sanchez

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Thomas Morrison, Benefits Consultant
Ms. Maria Quartero	Mr. Raymond Kan
Mr. Adam Dreher	Mr. Reid Shimabukuro
Ms. Linda Green	Mr. Kuan Yuan
Ms. Bonny Kahalewai	

OTHERS PRESENT

Ms Marissa Adachi, HMSA	Ms. Mae Kishimoto, HSTA-R
Ms. Irene Bayudan, VSP	Mr. Christopher Letoto, HMSA
Ms. Nikki Bassett, USABLE Life	Ms. Melissa Maino, CVS Caremark
Dr. John Baleix, HMSA	Mr. Douglas Murata, Royal State
Ms. Sandra Benevides, CVS Caremark	Mr. Rod Shinno, Public
Ms. Elaine Fujiwara, HDS	Mr. Troy Tomita, Kaiser
Mr. Galen Haneda, HMSA	

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 2:01 p.m. by Chairperson Roderick Becker, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Honolulu, Hawaii, on Friday, August 12, 2016.

II. MINUTES

A. June 30, 2016

The Board reviewed the draft minutes of June 30, 2016.

MOTION was made for the Board to approve the minutes of June 30, 2016 as circulated. (Machida/Currivan Musto) 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 2:04 p.m. (Nip/Machida) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Executive Session adjourned at 3:13 p.m.

Recessed at 3:13 p.m. and reconvened at 3:18 p.m.

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

1. Approved the Executive Session minutes of June 30, 2016
2. Approved retiree rates effective 1/1/17 – 12/31/17 for the HMSA, Kaiser and UnitedHealthcare medical, Royal State chiropractic, HDS dental, VSP vision, and US Able life insurance plans.
3. Approved award of contract – Expression of Interest for Banking Services

IV. OLD BUSINESS

A. HMSA Proposed Benefit Plan Design Change Effective January 1, 2017

This agenda item is deferred.

B. Prescription Drug Proposed Benefit Plan Design Changes

Mr. Derek Mizuno stated the pricing was discussed in Executive Session. Segal and the EUTF staff do not recommend the addition of the Pharmacy Advisor Counseling and Pharmacy Advisor Conditions Alert programs. Mr. Mizuno explained that the EUTF already have a program called the Pharmacy Advisor Support and other programs already offered that are similar to the Pharmacy Advisor Counseling program services. For the Pharmacy Advisor Conditions Alert program, HMSA is already monitoring and addressing gaps in care for conditions that are the top cost drivers. HMSA is receiving claims information from CVS for actives and non-Medicare retirees and is in the process of receiving similar claim information for the EGWP program. Mr. Mizuno summarized that the EUTF staff will work with Segal and HMSA to determine the health of our population, what programs are in place, and how effective the programs are before adding any programs.

V. NEW BUSINESS

A. Retiree Rates Effective January 1, 2017 – Caremark and SilverScript

Mr. Tom Morrison summarized the retiree rates for Caremark and SilverScript effective January 1, 2017 as recommended by Segal.

MOTION was made for the Board to approve the retiree rates for the period 1/1/17 to 12/31/17 for the prescription drug plan as recommended by Segal with the current

programs. (Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

B. Establishment of an All Payer Claims Database Steering Committee Permitted Interaction Group

Mr. Derek Mizuno summarized the establishment of an All Payer Claims Database Steering Committee Permitted Interaction Group. The EUTF Trustees on the Steering Committee are Trustees Roderick Becker, Wesley Machida, and Dr. Virginia Pressler, and the Administrator, Derek Mizuno.

MOTION was made for the Board to establish a permitted interaction group in accordance with HRS 92-2.5(2) consisting of Trustees Becker, Machida, and Pressler to participate in the All Payer Claims Database Steering Committee to comply with HB2482, minimize EUTF liability, and ensure that information and analysis provided to EUTF meets the EUTF's needs. (Nip/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

C. Emergency Appeals Committee

Mr. Mizuno summarized the EUTF staff's recommendation to add two additional alternates (one from each trustee group) to the Emergency Appeals Committee. Chairperson Becker appointed Trustees Wesley Machida and Gordon Murakami as the second alternates on the Emergency Appeals Committee.

VI. COMMITTEE REPORTS

A. Investment Committee Report

1. 2016 Strategic Allocation Review – Evolving Policy Plan

Mr. Mizuno summarized the 2016 Strategic Allocation Review. The Investment Committee recommends the Board approve the evolving policy plan.

MOTION was made for the Board to approve the evolving policy plan as recommended by the Investment Committee. (Machida/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

2. Educational Overview: Option-Writing Strategies

Mr. Mizuno reported that PCA presented an educational overview of the global options strategy.

3. Finalist Recommendations – Global Options Strategy

Mr. Mizuno reported that PCA made a recommendation on four finalist for the global options strategy and interviews will be held on August 16, 2016 and a recommendation will be presented at the August 23, 2016 Board meeting.

4. Contracting for Private Equity and Private Real Estate Consulting Services

This item was discussed in Executive Session.

VII. REPORTS

A. Segal

1. Updated Quarterly Trend Report

Mr. Tom Morrison summarized the Quarterly Trend report. The EUTF plans are running par with the rest of the country with respect to the PPO and pharmacy plans (EUTF trends versus the national trends).

2. Segal Survey on OPEB Accounting Changes

Mr. Morrison summarized a survey that Segal co-authored on OPEB accounting changes.

B. Administrator

1. Death checks

Mr. Derek Mizuno reported that a Memorandum of Understanding and Business Associate Agreement have been executed with the Department of Health (DOH) and summarized the transferring of files from the EUTF to the DOH for death checks. The EUTF plans to transfer files monthly to the DOH.

2. Adult disabled child project (no discussion held)

3. Student certification project (no discussion held)

4. HMSA covering chiropractic services (no discussion held)

5. HMSA limited prescription drug benefits (no discussion held)

6. HMSA specialty prescription drug benefits (no discussion held)

7. Steering Committee for Implementation of HB2482 All Payer Claims Database (no discussion held)

8. Administration Staffing Update (no discussion held)

9. GRS Draft Results of the Impact on the OPEB Liability as a Result of Their 5-Year review of the ERS' Assumptions

Mr. Mizuno reported that GRS completed a 5-year experience study for the ERS and informed the EUTF that it will have an impact on the OPEB liability. The survey is still a draft until the ERS Board accepts the survey. Discussion held by the Trustees and staff that people are living longer in Hawaii.

10. 2016 Active Open Enrollment Movement

Mr. Mizuno summarized the movement of members throughout the years during open enrollment. Members are moving due to costs. The EUTF staff will review and present recommendations to the Benefits Committee.

C. EUTF Managers' and Program Specialist Operations Reports

The EUTF Managers' and Program Specialist Operations Reports were in the Board's packet.

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1. Member Services Branch (MSB)
 - a. MSB Data
 - b. MSB Customer Service Improvement Project – Survey Results
 - c. MSB Staffing Update
 - d. Carrier Reports
 2. Information Systems (IS)
 - a. V3 BAS Modified Phase II (Employer File Feed)
 - b. Vitech Rebill Issue
 - c. Oracle Database Upgrade and Encryption
 - d. EUTF Computer Encryption
 - e. Maui Memorial, Kula Community and Lanai Community Hospitals Electronic Termination
 - f. IS Staffing Update
 - g. Enrollment Counts
 3. EUTF Program Specialist Report
 - a. Preventative Health and Wellness Benefits
 - b. Disease Management (DM) Benefits
 - c. Benefit Plan Audit Services
 4. Financial Services Branch
 - a. Management Letter Corrective Action Plan Status
 - b. Electronic Payment by Members
 - c. 2016 Financial Audit
 - d. Financial Services Branch Staffing Update
 - e. Financial Statements as of May 31, 2016
- 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.
Discussion held by the Trustees, staff, Mr. Christopher Leoto from HMSA, and Mr. Troy Tomita from Kaiser regarding Hepatitis A vaccination procedures/coverage and how long the vaccination last. Mr. Mizuno stated that the EUTF staff posted information on the EUTF plan Hepatitis A vaccine benefit.
 5. Kaiser Health Foundation
Written report submitted.

6. Royal State Insurance
Written report submitted.
7. UnitedHealthcare
Written report submitted.
8. US Able Life
Written report submitted.
9. Vision Service Plan (VSP)
Written report submitted.

VIII. NEXT MEETING DATE

- A. August 23, 2016, 9:00 a.m. – Regular Board Meeting
Trustee Machida will not be able to attend the next Board meeting.

IX. ADJOURNMENT

MOTION was made for the Board to adjourn meeting at 3:50 p.m. (Currivan Musto/Murakami) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Gordon Murakami, Secretary-Treasurer

APPROVED on August 23, 2016.

Documents Distributed:

1. Draft Board Minutes of 6/30/16. (9 pages)
2. Memorandum to BOT from Investment Committee Regarding 7/12/16 Investment Committee Meeting dated 7/21/16. (1 page)
3. Trends Health Plan News at a Glance for the Public Sector by Segal Consulting, 3rd quarter 2016. (1 page)
4. Segal Consulting data, Practical Research on Public Sector Benefits, Summer 2016. (11 pages)
5. Administrator's Monthly Report to the Board from 6/18/16-7/15/16. (2 pages)
6. APCD-Hawaii Health Data Warehouse, Steering Committee Agenda for 7/6/16. (6 pages)
7. HB No. 2482, HD2, SD1, CD1, Relating to Insurance. (10 pages)
8. EUTF 2016 Active Employee Open Enrollment Movement. (3 pages)
9. EUTF Enrollment Changes Due to Open Enrollment dated 7/13/16 (3 pages)

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10. Memorandum to BOT from MSB Manager Regarding June-July 2016 MSB Operations Report dated 7/15/16. (8 pages)
11. Memorandum to BOT from IS Analyst Regarding June-July 2016 IS Operations Report dated 7/15/16. (11 pages)
12. Memorandum to Administrator from Program Specialist Regarding June-July 2016 EUTF Program Specialist Report dated 7/15/16. (1 page)
13. Memorandum to BOT from Assistant Administrator Regarding June-July 2016 Financial Services Branch (FSB) Report dated 7/15/16. (2 pages)
14. EUTF Enterprise (Actives) Statement of Net Position 11 Months Ended May 31, 2016 (Preliminary-Unaudited) dated 7/20/16, EUTF Enterprise (Actives) Statement of Revenue, Expenses and Changes in Net Position 11 Months ended May 31, 2016 (Preliminary-Unaudited) dated 7/20/16, EUTF Agency (Retirees) – Statement of Fiduciary Net Position 11 Months Ended May 31, 2016 (Preliminary-Unaudited) dated 7/20/16, EUTF Agency (Retirees) – Statement of Revenue and Expenses and Changes in Net Position 11 Months Ended May 31, 2016 (Preliminary-Unaudited) dated 7/20/16, EUTF OPEB Statement of Net Position 11 Months Ended May 31, 2016 (Preliminary-Unaudited) dated 7/20/16, EUTF OPEB Statement of Revenue and Expenses 11 Months Ended May 31, 2016 (Preliminary-Unaudited) dated 7/20/16. (6 pages)
15. Experience Accounting of CVS Caremark Actives Self-Funded Plans Summary of FYE 6/30/2015 & FYE 6/30/2016, dated 7/20/16, Experience Accounting of CVS Caremark Non-Medicare Retirees Self-Funded Plan Summary of FYE 6/30/2015 & FYE 6/30/2016, dated 7/20/16, Experience Accounting of SilverScript Medicare Retirees Self-Funded Plan Summary of FYE 6/30/2015 & FYE 6/30/2016 dated 7/20/16. (3 pages)
16. CVS Caremark Monthly Carrier Report for June 2016 dated 7/8/16. (21 pages)
17. SilverScript Monthly Carrier Report for June 2016 dated 7/8/16. (3 pages)
18. HDS Monthly Carrier Report for June 2016 dated 7/8/16. (3 pages)
19. HMSA Monthly Carrier Report for June 2016 dated 7/14/16. (3 pages)
20. Kaiser Monthly Carrier Report for June 2016 dated 7/8/16. (3 pages)
21. Royal State Insurance Monthly Carrier Reports for June 2016 (Chiropractic and Supplemental Medical Plans) dated 7/7/16. (4 pages)
22. UnitedHealthcare Monthly Carrier Report for June 2016 dated 7/5/16. (1 page)
23. US Able Life Monthly Carrier Report for June 2016 dated 7/8/16. (2 pages)
24. VSP Monthly Carrier Report for June 2016 dated 7/8/16. (8 pages)