

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, September 27, 2016

TRUSTEES PRESENT

Ms. Audrey Hidano, Vice Chairperson
Mr. Gordon Murakami, Secretary-Treasurer
Ms. Linda Currvivan Musto
Ms. Celeste Nip

Mr. James Nishimoto
Dr. Virginia Pressler
Mr. Clifford Uwaine

TRUSTEES ABSENT

Mr. Roderick Becker, Chairperson
Mr. Wesley Machida

Ms. Julia Sanchez

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Ms. Maria Quartero
Ms. Lynette Bautista
Mr. Adam Dreher

Mr. Thomas Morrison, Benefits Consultant
Ms. Linda Green
Ms. Bonny Kahalewai
Mr. Raymond Kan
Mr. Rodney Shinno

OTHERS PRESENT

Ms. Nikki Bassett, US Able Life
Ms. Sandra Benevides, CVS Health
Ms. Elaine Fujiwara, HDS
Ms. Susan Goya, HGEA-R
Mr. Galen Haneda, HMSA
Ms. Keiko Hiraoka, Lilly
Mr. John Jacobs, US Able Life
Ms. Danielle Jones, UHC
Ms. Mae Kishimoto, HSTA-R

Ms. Melissa Kunitake, Kaiser
Mr. Christopher Letoto, HMSA
Mr. Douglas Murata, Royal State
Ms. Lori Naylor, HMA
Mr. Kurt Neuenfeld, CVS Health
Ms. Charlayne Ranchez, Kaiser
Ms. Sarah Smith, CVS Health
Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:00 a.m. by Vice Chairperson Audrey Hidano, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Honolulu, Hawaii, on Tuesday, September 27, 2016.

Mr. Derek Mizuno introduced new staff member, Ms. Lynn Bautista, EUTF Procurement Specialist

II. MINUTES

A. August 23, 2016

The Board reviewed the draft minutes of August 23, 2016.

MOTION was made for the Board to approve the minutes of August 23, 2016 as circulated. (Currivan Musto/Pressler) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

III. EXECUTIVE SESSION

MOTION was made for the Board to move into Executive Session at 9:02 a.m. (Nip/Nishimoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Executive Session recessed at 9:55 a.m.

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

1. Approved the Executive Session minutes of August 23, 2016.
2. Approved an appeal for late acquisition of coverage.
3. Approved an appeal for late corrective action.
4. Approved an appeal for reinstatement of coverage.
5. Approved an appeal for late loss of coverage.
6. Approved to issue RFI for medical and pharmacy benefit management services.
7. Approved RFP 16-002 Benefit Plan Audit Services.

IV. NEW BUSINESS

A. FY18 & FY19 Proposed Budget

Mr. Derek Mizuno and Ms. Donna Tonaki summarized the proposed budget for FY18 & FY19. Discussion held by the Trustees and staff regarding a feasibility study for the Vitech system and converting positions from exempt to civil service. The Board requested an addition on the next Board agenda; a discussion on including managers in the conversion to civil service. The EUTF staff will provide additional justification for the Business Analyst and Benefits Officer positions, the current organizational chart, and an updated telephone directory of the EUTF staff.

MOTION was made for the Board to approve the proposed EUTF budget for fiscal years 2018 and 2019 as presented by the EUTF staff. (Nip/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

B. Placement of Items on the Board Agenda

Mr. Mizuno summarized the placement of items on the Board agenda and public testimony.

C. Strategic Planning and Board Training

Mr. Mizuno summarized background information regarding Strategic Planning and Board Training and the recommendation to have a ½ to full day training session before the end of this year.

Recessed at 10:21 a.m. and Reconvened at 10:29 a.m.

V. COMMITTEE REPORTS

A. Benefits Committee Report – Prescription Drug Plan

1. Management of Select Unapproved Products

Mr. Mizuno summarized the Management of Select Unapproved Products and the recommendation by the Benefits Committee for the Board to approve to add the Management of Select Unapproved Product program. Discussion was held by the Trustees, staff, benefits consultant, CVS Health regarding non FDA approved products, and why HSTA VB plans are excluded

MOTION was made to approve the Benefits Committee recommendation to add the Management of Select Unapproved Products program for EUTF active employee prescription drug plans, excluding the HSTA VB plans, effective April 1, 2017. (Pressler/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

2. Brand Step Therapy Programs

Mr. Mizuno reported there is no recommendation from the Committee until additional information is presented and for the full Board to hear the presentation. Ms. Sandra Benevides and Kurt Neuenfeld presented the Brand Step Therapy Program. Discussion held by the Trustees, staff, benefits consultant, and CVS Health regarding the procedures for members using the Brand Step Therapy Program, prior authorizations, no grandfathering for this program, and where savings would be generated. The Benefits Committee did change the notification by mail/fax from 30 to 60 days. Trustees expressed concerns that members must try all pre-requisite alternatives and that grandfathering and grace fills are not available. Ms. Sarah Smith from CVS Health presented additional information requested by the Board regarding another client's experience. Ms. Benevides from CVS Health provided statistics for 10,000 impacted members. Discussion held by the Trustees, staff, benefits consultant and CVS Health regarding rebates and if CVS Health is communicating and working with the physicians in the network. Ms. Benevides summarized the timeframe for prior authorizations.

After discussion by the Trustees, this item is deferred.

3. 2017 Standard Formulary

For the Board's information, CVS Health presented education on the different formulary options for the EUTF plans at the Benefits Committee meeting.

VI. REPORTS

A. Administrator

The Administrator's report was in Board's packet.

1. Death checks

Mr. Mizuno reported that EUTF did complete this process with Department of Health (DOH) and summarized the reporting of death checks. Since this process works, this item will be removed from this report.

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. Meetings with Key Legislators

Mr. Mizuno reported that he and Ms. Tonaki will start meeting with key legislators.

B. EUTF Managers' and Program Specialist Operations Reports

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

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. Retiree Open Enrollment 2017

b. V3 BAS Modified Phase II (Employer File Feed)

c. Vitech Rebill Issue

d. Oracle Database Upgrade and Encryption

e. EUTF Computer Encryption

f. Maui Memorial, Kula Community and Lanai Community Hospitals Electronic Termination

g. EUTF Health Benefits Hardware Service Replacement

h. IS Staffing Update

i. 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 June 30, 2016

C. 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. US Able Life
Written report submitted.
9. Vision Service Plan (VSP)
Written report submitted.

- III. Executive Session (continued)
The meeting reconvened at 11:13 a.m.

Executive Session adjourned at 12:08 p.m.

The Board did not take any action in Executive Session.

VII. NEXT MEETING DATE

- A. November 7, 2016, 9:00 a.m.

The next Board meeting will be held on November 7, 2016 at 9:00 a.m.

VIII. ADJOURNMENT

MOTION was made for the Board to adjourn meeting at 12:08 p.m. (Nip/Nishimoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Gordon Murakami, Secretary-Treasurer

APPROVED on November 7, 2016.

Documents Distributed:

1. Draft Board Minutes of 8/23/16. (8 pages)
2. Memorandum to BOT from the Administrator Regarding Placement of Items on the Board Agenda dated 9/21/16. (2 pages)
3. Memorandum to BOT from the Administrator Regarding Strategic Planning and Board Training dated 9/21/16. (25 pages)
4. Memorandum to BOT from the Benefits Committee Regarding the September 26, 2016 Benefits Committee Meeting dated 9/26/16. (1 page)
5. Administrator's Monthly Report to the Board from 8/13/16-9/16/16. (35 pages)
6. Memorandum to BOT from MSB Manager Regarding August-September 2016 MSB Operations Report dated 9/16/16. (7 pages)
7. Memorandum to BOT from IS Chief Regarding August-September 2016 IS Operations Report dated 9/16/16. (11 pages)
8. Memorandum to Administrator from Program Specialist Regarding August-September 2016 EUTF Program Specialist Report dated 9/16/16. (2 pages)
9. Memorandum to BOT from Financial Management Officer Regarding August-September 2016 Financial Services Branch (FSB) Report dated 9/16/16. (2 pages)
10. CVS Caremark Monthly Carrier Report for August 2016 dated 9/9/16. (8 pages)
11. SilverScript Monthly Carrier Report for August 2016 dated 9/8/16. (3 pages)
12. HDS Monthly Carrier Report for August 2016 dated 9/9/16. (3 pages)
13. HMSA Monthly Carrier Report for August 2016 dated 9/14/16. (2 pages)
14. Kaiser Monthly Carrier Report for August 2016 dated 9/9/16. (4 pages)
15. Royal State Insurance Monthly Carrier Reports for August 2016 (Chiropractic and Supplemental Medical Plans) dated 9/8/16. (4 pages)
16. UnitedHealthcare Monthly Carrier Report for August 2016 dated 9/9/16. (1 page)
17. US Able Life Monthly Carrier Report for August 2016 dated 9/9/16. (4 pages)
18. VSP Monthly Carrier Report for August 2016 dated 9/8/16. (8 pages)