

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, March 24, 2015

TRUSTEES PRESENT

Ms. Maria Zielinski, Vice Chairperson	Ms. Karolyn Mossman
Ms. Linda Currivan Musto, Secretary-Treasurer	Ms. Celeste Nip
Mr. Roderick Becker	Mr. Clifford Uwaine
Ms. Audrey Hidano	Ms. Julia Zeghmi

TRUSTEES ABSENT

Randy Baldemor
Nolan Kawano

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Ms. Sandra Yahiro, Administrator	Mr. Tom Morrison, Benefits Consultant
Mr. Derek Mizuno, Assistant Administrator	Ms. Bonny Kahalewai
Ms. Maria Quartero	Mr. Raymond Kan
Mr. Adam Dreher	Ms. Donna Tonaki
Ms. Lauren Endo	

OTHERS PRESENT

Ms. Marissa Adachi, HMSA	Mr. John Jacobs, USABLE
Ms. Cheryl Archer, Royal State	Ms. Lindsey Jurgemeyer, CVS Caremark
Ms. Nikki Bassett, USABLE Life	Ms. Monica Kim, VSP
Ms. Sandra Benevides, CVS Caremark	Mr. Chris Letoto, HMSA
Mr. Christian Fern, Kaiser	Mr. Craig Nakamoto, Kaiser
Mr. Brian Fowler, Healthways	Mr. Neil Takeda, HDS
Mr. Galen Haneda, HMSA	Mr. Troy Tomita, Kaiser
Ms. Keiko Hiraoka, Lilly	

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:10 a.m. by Trustee Maria Zielinski, Vice Chairperson, in the EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Tuesday, March 24, 2015.

Vice Chairperson introduced new Trustee Mr. Roderick Becker, Deputy Director of Finance.

II. MINUTES

A. February 24, 2015

The Board reviewed the draft minutes of February 24, 2015.

MOTION was made for the Board to amend the February 24, 2015 minutes to delete on page 4, lines 43-44, "Discussion by the Trustees, staff, and Ms. Elaine Fujiwara from HDS that the standard plan maximum in the community is \$1,000" and add "Discussion held by Trustees and staff regarding plan maximums". (Mossman/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

MOTION was made for the Board to approve the minutes of February 24, 2015 as amended. (Currivan Musto/Mossman) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

III. INVESTMENT COMMITTEE REPORT

A. December 31, 2014 Report

B. December 31, 2014 Excess Reserves Performance Report

Mr. Derek Mizuno summarized the EUTF Quarterly and Excess Reserves Performance reports.

IV. OLD BUSINESS

A. 2015 EUTF-Related Legislation

Ms. Sandra Yahiro summarized the 2015 EUTF related bills. Discussion held by Trustees, staff, and benefits consultant regarding the following bills: HB252, HD1-Relating to Pharmacy Benefit Managers, HB1356-Relating to Unfunded Liabilities, SB100, SD1, SB158, SD1-Relating to Budget Documents, and SB1011, SD1-Relating to Collective Bargaining.

MOTION was made for the Board to oppose the concept of HB1356-Relating to Unfunded Liabilities. (Mossman/Uwaine) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

MOTION was made for the Board to support the concept of SB158, SD1-Relating to Budget Documents. (Mossman/Becker) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Discussion held by Trustees and staff for the Benefits Committee to review the possibility of allowing the EUTF to offer supplemental plans that employees may enroll in and pay 100% of the premium, or by submitting legislation to allow for offering such supplemental plans. Also, for the EUTF staff to provide information to the Board on what resources would be needed.

MOTION was made for the Board to approve the Benefits Committee reviewing the possibility of allowing the EUTF to offer supplemental plans that employees may enroll in and pay 100% of the premium, or by submitting legislation, and the EUTF staff to provide all information to the Board (Mossman/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

V. NEW BUSINESS

A. July 1, 2015 to June 30, 2016 Board Meeting Schedule

MOTION was made for the Board to approve the July 1, 2015 to June 30, 2016 Board meeting schedule as presented. (Currivan Musto/Mossman) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

B. Dental Plan Design Related to Fluoride Treatment for Retirees Effective January 1, 2015
Vice Chairperson Zielinski stated that this is to correct the fluoride treatment for retirees from “under” age 19 to “through” age 19 that was approved by the Board on July 15, 2015.

MOTION was made for the Board to approve to correct the fluoride treatment for retirees from “under” age 19 to “through” age 19 that was approved by the Board on July 15, 2014. (Currivan Musto/Mossman) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Trustee Uwayne stated he would like to thank the Governor, in advance, for his recent meeting with the Unions and his commitment to increase the retirees’ dental benefits from \$1,000 to \$2,000 at the April Board meeting.

VI. REPORTS

A. Administrator

1. Vitech Modified Phase II (no discussion held)
2. Expanding EUTF’s Office Space (no discussion held)
3. EUTF Website Review (no discussion held)
4. Vitech Rebill Issue
Discussion held by Trustees and staff regarding the Vitech rebill issue and the dates provided. The EUTF is not being charged for the Vitech rebill issue. The EUTF staff submitted a timeline and will move this item up in priority.
5. Customer Service Improvement Project
Trustee Mossman acknowledged the positive customer service surveys that are continuing to be received. Ms. Yahiro stated our new telephone system will have the capability to do surveys.
6. Health Benefit Plans Claims Audits (no discussion held)
7. Converting EUTF’s Email System to Office 365 (no discussion held)
8. EUTF Strategic Plan, Including Vision and Mission Statements (no discussion held)
9. EUTF ~~2015~~/2016 Budget
Ms. Sandra Yahiro summarized the budget worksheets released by the House. The house did not fund the Wellness position. The Senate WAM requested and was

provided information on the EUTF's wellness initiative with OCCC. Ms. Donna Tonaki stated that the year "2015" is incorrect, should be "2016" Budget.

10. Kaiser PHI Security Breach

11. Anthem PHI Security Breach

Information that was given to employees that were affected by Kaiser and Anthem's security breach was in the Board packet.

12. Security Breach by U.S. Post Office

Ms. Yahiro summarized the security breach by the U.S. Post Office.

13. Premera Blue Cross Security Breach

Information regarding the Premera Blue Cross security breach was distributed to the Board.

14. 2015 Active Employee Open Enrollment (no discussion held)

15. Wellness (no discussion held)

B. EUTF Managers' and Program Specialist Operational Reports

Ms. Sandra Yahiro announced that Ms. Bonny Kahalewai is the MSB manager.

1. Member Services Branch (MSB)

a. MSB Data Update (no discussion held)

b. MSB Staffing Update

Discussion held by Trustees and staff regarding the status on MSB staffing. There are five vacancies in MSB.

c. Carrier Reports (no discussion held)

2. Information Technology (IT)

a. Active Employee Open Enrollment 2015 (no discussion held)

b. Implementation of BU 14 (no discussion held)

c. V3 BAS Modified Phase II (Employer File Feed) [no discussion held]

d. Microsoft Office 365 Conversion (no discussion held)

e. Oracle Database Upgrade and Encryption (no discussion held)

f. EUTF Local Area Network Server and Workstation Encryption (no discussion held)

g. Hawaii Health Connector (no discussion held)

h. EUTF IS Vacancies (no discussion held)

i. Enrollment Counts (no discussion held)

3. EUTF Program Specialist

a. Wellness Initiatives (no discussion held)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

March 24, 2015 Minutes

Page 5

- b. Prescription Drug Claims Auditing Services (no discussion held)
 4. Financial Services Branch
 - a. Financial Audit (FY2014) – Management Letter (no discussion held)

 - b. Financial Statements as of January 31, 2015
Ms. Donna Tonaki summarized the financial statements as of January 31, 2015. Discussion held by Trustees, staff, and benefits consultant regarding items 15 & 17 under current liabilities and net assets. In future reports, Ms. Tonaki will do a roll up of all reports.
- C. Segal
 1. Information on Affordable Care Act (ACA) Cadillac Tax
 2. Internal Revenue Service (IRS) Rulings – Multi-Employer Cap
Mr. Tom Morrison summarized the information released in February 2015 on the proposed regulations for ACA and highlighted some of the benefits for the EUTF (excise tax, deferring tax to 2020, and non multiemployer plans).
 3. Updated Trend Report
Mr. Morrison summarized the updated trend report
 4. Segal’s 5-Year Rate Projections
Mr. Morrison summarized Segal’s 5-year rate projections. The benefits consultant will change the report title to “Projections” and email to the Board.
- D. Carrier Reports
 1. CVS Caremark (no discussion held)
 2. SilverScript
Ms. Sandra Benevides introduced Ms. Lindsey Jurgemeyer that will assist Ms. Benevides for SilverScript.
 3. Hawaii Dental Service (HDS) [no discussion held]
 4. Hawaii Medical Service Association (HMSA)
Mr. Galen Haneda introduced Ms. Marisa Adachi, Account Manager.
 5. Kaiser Health Foundation
Trustee Hidano expressed her concern about Kaiser’s courier service.
 6. Royal State Insurance (no discussion held)
 7. UnitedHealthcare (no discussion held)
 8. US Able Life (no discussion held)
 9. Vision Service Plan (VSP) [no discussion held]

VII. EXECUTIVE SESSION

MOTION was made for the Board to move into Executive Session at 10:40 a.m. as stated on the agenda. (CurrivanMusto/Mossman) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Executive Session adjourned at 11:35 a.m.

Vice Chairperson Zielinski reported that the Board has taken the following action in Executive Session:

1. Approved the Segal contract amendment to provide Charter Schools with an Affordable Care Act (ACA) related information session.

VIII. FUTURE AGENDA ITEMS DISCUSSION AND NEXT MEETING DATE

A. April 28, 2015, 9:00 a.m. – Regular Board Meeting

Trustee Mossman requested that Delegation of Authority and Performance Guarantees be placed on the next agenda.

IX. ADJOURNMENT

MOTION was made for the Board to adjourn meeting at 11:40 a.m. (Nip/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

Linda Currivan Musto, Secretary-Treasurer

APPROVED on April 28, 2015

Documents Distributed:

1. Draft Board Minutes of 2/24/14. (9 pages)
2. EUTF Quarterly Report-4Q2014 by Pension Consulting Alliance dated 2/2/15. (54 pages)
3. 2015 Legislative Log – Active EUTF Bills dated 3/18/15. (12 pages)
4. July 1, 2015 to June 30, 2016 Proposed Board Meeting Schedule.
5. Memorandum to BOT from Administrator Regarding Additional Fluoride Treatment for Retirees Approved at July 15, 2014 meeting dated 3/16/15. (3 pages)
6. Administrator's Monthly Report to the Board from 2/18/15-3/17/15 dated 3/18/15. (4 pages)
7. Legislative Budget System Budget Worksheet dated 3/18/15. (3 pages)
8. EUTF Customer Service Improvement Project Survey Results received between 2/6/15-3/17/15.

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

March 24, 2015 Minutes

Page 7

(1 page)

9. Customer Service Automated Call Distribution Report, February 2015, March 2015, July to December 2013, January to December 2014, January to March 13, 2015 (4 pages)
10. Letter to EUTF Administrator from Kaiser Regarding Breach Notification dated 2/12/15. (8 pages)
11. Email to EUTF Administrator from HMSA Regarding Anthem Breach dated 2/23/15. (2 pages)
12. Letter to Honolulu Postmaster from Administrator Regarding Security Breach dated 3/3/15. (2 pages)
13. Email to EUTF Administrator from HMSA Regarding Premera Security Breach dated 3/20/15 and 3/18/15. (8 pages)
14. 2015 Annual Open Enrollment Flyer. (2 pages)
15. Memorandum to BOT from MSB Manager Regarding February 2015 MSB Monthly Report dated 3/13/15. (1 page)
16. Memorandum to BOT from IS Analyst Regarding February IS Operations Report dated 3/17/15. (11 pages)
17. Memorandum to BOT from Program Specialist Regarding February 2015 Monthly Report dated 3/13/15. (1 page)
18. Memorandum to BOT from Financial Management Officer Regarding Financial Services Branch Report for March 24, 2015 BOT Meeting. (1 page)
19. EUTF Enterprise (Actives) Statement of Net Position 7 Months Ended January 31, 2015 (Preliminary-Unaudited) dated 3/16/15. (2 pages)
20. EUTF Enterprise (Actives) Statement of Revenue, Expenses and Changes in Net Position 7 Months Ended January 31, 2015 (Preliminary-Unaudited) dated 3/16/15. (2 pages)
21. EUTF Agency Fund (Retirees) – Statement of Fiduciary Net Position 7 Months Ended January 31, 2015 dated 3/16/15. (2 pages)
22. EUTF Agency Fund (Retirees) – Statement of Revenue and Expenses 7 Months Ended January 31, 2015 (Preliminary-Unaudited) dated 3/13/15. (1 page)
23. EUTF OPEB – Statement of Net Position 7 Months Ended January 31, 2015 (Preliminary-Unaudited) dated 3/13/15. (1 page)
24. EUTF OPEB – Statement of Revenue and Expenses 7 Months Ended January 31, 2015 (Preliminary-Unaudited) dated 3/13/15. (1 page)
25. Experience Accounting of CVS Caremark Actives Self-Funded Plans Summary of FYE 6/30/2014 & FYE 6/30/2015, January, dated 3/13/15. (1 page)
26. Experience Accounting of CVS Caremark Non-Medicare Retirees Self-Funded Plan Summary of FYE 6/30/2014 & FYE 6/30/2015, January, dated 3/13/15. (1 page)
27. Experience Accounting of SilverScript Medicare Retirees Self-Funded Plan Summary of FYE 6/30/2014 & FYE 6/30/2015, January, dated 3/13/15. (1 page)
28. Trends by Segal, First Quarter 2015. (1 page)
29. Segal's 5-Year Rate Projections dated 3/4/15. (6 pages)
30. CVS Monthly Carrier Report for February 2015 dated 3/10/15. (12 pages)
31. SilverScript Monthly Carrier Report February 2015 dated 3/9/15. (3 pages)
32. HDS Monthly Carrier Report for February 2015 dated 3/9/15. (3 pages)
33. HMSA Monthly Carrier Report for February 2015 dated 2/12/15. (2 pages)
34. Kaiser Monthly Carrier Report for February 2015 dated 3/10/15. (2 pages)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

March 24, 2015 Minutes

Page 8

35. Royal State Insurance Monthly Carrier Reports for February 2015 (Group Term Life Plan, Chiropractic Plan, Supplemental Medical Plan,) dated 3/9/15. (6 pages)
36. UnitedHealthcare Monthly Carrier Report for February 2015 dated 3/6/15. (1 page)
37. US Able Life Monthly Carrier Report for January 2015 dated 2/9/15. (3 pages)
38. VSP Monthly Carrier Report for February 2015 dated 3/8/15. (8 pages)