

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
November 3, 2016

TRUSTEES PRESENT

Dr. Virginia Pressler, Chairperson	Mr. Wesley Machida
Mr. Roderick Becker	Mr. Gordon Murakami
Ms. Linda Currvivan Musto (arrived 9:08 am)	Mr. Clifford Uwaine

TRUSTEES ABSENT: None

ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Tom Morrison, Benefits Consultant (via conf. call)
Ms. Donna Tonaki, Assistant Administrator	Ms. Linda Green
Ms. Maria Quartero	Ms. Emily Kaneakua
Mr. Adam Dreher	Mr. Rod Shinno

OTHERS PRESENT

Ms. Sandra Benevides, CVS Caremark	Mr. Christopher Letoto, HMSA
Ms. Elaine Fujiwara, HDS	Ms. Bev Luney, USable
Ms. May Goya, Kaiser	Ms. Melissa Maino, CVS Caremark
Mr. Galen Haneda, HMSA	Mr. Douglas Murata, Royal State
Mr. Chad Hertzog, HMSA	Mr. Kurt Neuenfeld, CVS Caremark
Ms. Danelle Jones, UHC	Ms. Joleen Saito, HMSA
Ms. Monica Kim, VSP	Mr. Troy Tomita, Kaiser
Ms. Iris Koike, HMSA	

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 9:00 a.m. by Trustee Virginia Pressler, Chairperson, in the EUTF Board Room, City Financial Tower, 201 Merchant Street, Honolulu, Hawaii, on Thursday, November 3, 2016.

II. MINUTES

A. September 26, 2016

The Benefits Committee reviewed the draft minutes of September 26, 2016.

MOTION was made to approve the minutes of September 26, 2016 as circulated. (Becker/Machida) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

III. NEW BUSINESS

A. Prescription Drug Plan Proposed Active and Retiree Plan Changes

1. Separate Prescription Drug Plan Bundled With the HMSA 75/25 Plan

Ms. Sandra Benevides and Mr. Kurt Neuenfeld from CVS Caremark summarized the separate prescription drug plan bundled with the HMSA 75/25 plan. No motion necessary, staff is seeking comment from the Benefits Committee.

Staff is moving forward with Segal preparing prescription drug rates for the EUTF excluding BU 12 and BU 12 only under the following options:

- Option 1: Consistent with current practice, premium for one prescription drug plan for all EUTF members with HMSA. No separate 75/25 drug plan premium.
- Option 2: 1) Premium for EUTF HMSA plans excluding the 75/25 plan and
2) Premium for the EUTF HMSA 75/25 plan (separately rated based on experience and a \$7/\$30/\$75 copayment structure for non-specialty).
- Option 3: 1) Premium for EUTF HMSA plans excluding the 75/25 plan and
2) Premium for the EUTF HMSA 75/25 plan (separately rated based on experience and a \$5/\$30/\$75 copayment structure for non-specialty).
- Option 4: 1) Premium for EUTF HMSA plans excluding the 75/25 plan and
2) Premium for the EUTF HMSA 75/25 plan (separately rated based on experience and NO copayment change).

2. Advanced Control Specialty Formulary

Ms. Benevides and Mr. Neuenfeld summarized the proposed changes for the advanced control specialty formulary. [Trustee Currivan Musto arrived at 9:08 a.m.]

The Committee discussed the following with CVS:

- The total projected annual gross savings of \$270,900 for the EUTF active employee plan and \$42,100 for the EUTF non-Medicare retiree plan based on 21 members who may be disrupted by the change. The projection does not account for future members who will utilize the preferred drugs.
- Disruption is limited to approximately 21 members because of grandfathering.
- In general, the drug classes in which grandfathering is not allowed has a generic equivalent or the preferred drug has the same active ingredient as the other drugs.
- Because of the small number of disrupted, CVS will make calls to the disrupted members and their physicians to facilitate the change and assist with any medical necessity prior authorizations.

MOTION was made to recommend to the Board adoption of the Advanced Control Specialty Formulary for the EUTF active employee and non-Medicare retirees, excluding HSTA VB plans, effective July 1, 2017. (Becker/Machida)

The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

B. HMSA Medical Proposed Active and Retiree Plan Changes

Mr. Christopher Letoto and Ms. Iris Koike from HMSA summarized the medical proposed active and retiree plan changes.

The Committee discussed the 15 proposed changes by HMSA and the Dr. Dean Ornish program.

C. Kaiser Medical and Prescription Drug Proposed Active and Retiree Plan Changes

Mr. Troy Tomita from Kaiser summarized the medical and prescription drug proposed active and retiree plan changes.

D. HDS Dental Proposed HSTA VB Active Plan Changes

Mr. Mizuno summarized the background information that the Board previously approved and the dental proposed HSTA VB active plan changes.

E. Segal Report – Public Sector Benefits Compliance News – June 9, 2016

Segal reported on the recently published final rule governing wellness programs.

IV. EXECUTIVE SESSION

MOTION was made to move into Executive Session at 10:10 a.m. (Machida/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

Executive Session adjourned at 11:40 a.m.

The Chairperson reported the following action taken in Executive Session.

1. Approved the Executive Session Minutes of September 26, 2016.

III. NEW BUSINESS (continued)

B. HMSA Medical Proposed Active and Retiree Plan Changes

MOTION was made to recommend to the Board the federal and state mandated changes, items number 3, 4, and 5 in the HMSA proposal, including the pricing discussed in Executive Session for the EUTF active employee and retiree plans effective July 1, 2017 and January 1, 2017, respectively as follows:

(Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

- 3) Removal of the age (under age 26) limit from the orthodontic services for treatment of orofacial anomalies due to birth defects in accordance with federal law

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- 4) Removal of the limit (two per lifetime) on voluntary pregnancy terminations in accordance with federal law
- 5) Clarification of coverage for newborns in accordance with federal law and a voluntary change to add coverage for the first 31 days of congenital defects and birth abnormalities even if the newborn is not added to coverage

MOTION was made to recommend to the Board the HMSA proposed changes, items 6 and 9 in the HMSA proposal, including the pricing discussed in Executive Session for the EUTF HMSA active employee plans effective July 1, 2017, excluding the HSTA VB plans, as follows: (Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

- 6) Add supportive care for seriously ill patients with congestive heart failure, chronic obstructive pulmonary diseases and liver failure.
- 9) Add coverage for counseling provided by a licensed dietitian.

MOTION was made to recommend to the Board continuation of the Dr. Dean Ornish program for the EUTF active employees effective 7/1/17, excluding the HSTA VB plans, and addition of the Dr. Ornish program to the EUTF non-Medicare retiree plan effective 1/1/17, excluding the HSTA VB plans, including the pricing discussed in Executive Session. (Currivan Musto/Uwaine) The motion failed. (Employer Trustees-1 YES-Pressler, 2 NO-Becker, Machida/Employee-Beneficiary Trustees-3 YES-/Currivan Musto, Murakami, Uwaine)

The following items are pending further information from HMSA and/or will be presented to the Board for discussion:

- 1) Add coverage for gender identity services in accordance with Act 135, SLH 2016 and federal law. Pending additional pricing information from HMSA. (EUTF and HSTA VB active employee (7/1/17) and retiree (1/1/17) plans);
- 2) Removal of the dollar (\$25,000) and age (under age 14) limits from the autism spectrum disorder benefit in accordance with federal law. Pending additional utilization and pricing information from HMSA. (EUTF and HSTA VB active employee (7/1/17) and retiree (1/1/17) plans);
- 10) Modification of language of covered services for dentists and oral surgery. Pending further discussions between HMSA and Segal Co. (EUTF active employee (7/1/17) and retiree (1/1/17) plans)
- 11) Modification of language to specifically exclude services related to or provided in conjunction with a non-covered service. Pending further discussions between HMSA and Segal Co. (EUTF active employee (7/1/17) and retiree (1/1/17) plans)
- 15) Increase in the maximum out-of-pocket limits by \$500 single/\$1,000 family for the 90/10 and 80/20 plans. Pending further review by HMSA. (EUTF 90/10 and 80/20 active employee plans (7/1/17))

Other – continuation of the Dr. Dean Ornish program for EUTF active employees effective 1/1/17 and addition of the Dr. Dean Ornish program for EUTF retirees effective 1/1/17.

There is no recommendation on the following items from the Committee:

- 7) Pap Smear screening – reduces allowable pap smears from annually to once every three years for women ages 21-65 to align with U.S. Preventative Services Task Force (USPSTF) recommendations.
- 8) Mammography screening – removal of coverage for one baseline mammography between the ages of 35-39 to align with USPSTF recommendations.
- 12 & 14) Addition of an Active & Fit gym membership benefit – the coverage includes a gym membership for \$100 per year.
- 13) HMO plan – changes to reduce the benefits related to the maximum out-of-pocket limits, inpatient hospital stays, maternity, emergency room usage, high-end imaging and outpatient surgery.

C. Kaiser Medical and Prescription Drug Proposed Active and Retiree Plan Changes

MOTION was made to recommend to the Board the following changes, including the pricing discussed in Executive Session for the EUTF and HSTA VB active and retiree plans effective July 1, 2017 and January 1, 2017, respectively. (Uwaine/Murakami) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

- 1) Add coverage for gender reassignment surgery in accordance with federal law.
- 2) Removal of the dollar (\$25,000) and age (under age 14) limits from the autism spectrum disorder benefit.
- 3) Removal of the age (under age 26) limit from the orthodontic services for treatment of orofacial anomalies due to birth defects in accordance with federal law.

The addition of out-of-state coverage for dependents is pending additional pricing information from Kaiser.

D. HDS Dental Proposed HSTA VB Active Plan Changes

MOTION was made to recommend to the Board addition of the second fluoride and enhancement of the implant benefit to 60% and the removal of the requirement that the implant be between two natural teeth for the HSTA VB active employee dental plan effective July 1, 2017. (Uwaine/Murakami) The motion failed. (Employer Trustees-3 NO-Becker, Machida, Pressler/Employee-Beneficiary Trustees-1 NO-Currivan Musto, 2 YES-Murakami, Uwaine)

V. FUTURE AGENDA ITEMS DISCUSSION AND NEXT MEETING DATE

Discussion was held by the Trustees, staff, and benefits consultant whether a meeting is necessary prior to the November 22, 2016 or December 20, 2016 Board meetings.

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VI. ADJOURNMENT

MOTION was made for the Board to adjourn meeting at 11:50 a.m. (Machida/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

Respectfully submitted,

/s/

Virginia Pressler, Chairperson

APPROVED on April 24, 2017.

DOCUMENTS DISTRIBUTED:

1. Draft Benefits Committee Minutes of 9/26/16. (4 pages)
2. Memorandum to the Benefits Committee from the Administrator Regarding Separate Prescription Drug Plan Bundled With the HMSA 75/25 Plan dated 10/27/16. (8 pages)
3. Presentation on Advanced Control Specialty Formulary by CVS Health dated 11/3/16. (12 pages)
4. Public Sector Benefits Compliance News by Segal Consulting dated 6/9/16. (4 pages)