

1 HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

2 Minutes of the Board of Trustees

3 Monday, November 7, 2016

4
5 TRUSTEES PRESENT

6 Mr. Roderick Becker, Chairperson

Ms. Celeste Nip

7 Ms. Audrey Hidano, Vice Chairperson

Mr. James Nishimoto

8 Mr. Gordon Murakami, Secretary-Treasurer

Dr. Virginia Pressler

9 Ms. Linda Currvivan Musto

Mr. Clifford Uwaine

10 Mr. Wesley Machida

11
12 TRUSTEES ABSENT

13 Ms. Julia Sanchez

14
15 ATTORNEY

16 Mr. Kyle Chang, Deputy Attorney General

17
18 EUTF STAFF

19 Mr. Derek Mizuno, Administrator

Mr. Thomas Morrison, Benefits Consultant

20 Ms. Donna Tonaki, Assistant Administrator

Ms. Bonny Kahalewai

21 Ms. Maria Quartero

Mr. Raymond Kan

22 Mr. Adam Dreher

Ms. Emily Kaneakua

23 Ms. Linda Green

Mr. Rodney Shinno

24
25 OTHERS PRESENT

26 Ms. Marissa Adachi, HMSA

Ms. Mae Kishimoto, HSTA-R

27 Mr. Carl Barton, Healthways

Ms. Iris Koike, HMSA

28 Ms. Nikki Bassett, USABLE Life

Mr. Christopher Letoto, HMSA

29 Ms. Sandra Benevides, CVS Health

Mr. Blaise Liu, Royal State

30 Ms. Elaine Fujiwara, HDS

Ms. Melissa Maino, CVS Health

31 Mr. Galen Haneda, HMSA

Ms. Lori Naylor, HMA

32 Mr. Chad Hertzog, HMSA

Mr. Ben Park, WAM

33 Mr. Ryan Hirasuna, HMSA

Ms. Jolene Sato, HMSA

34 Ms. Danielle Jones, UHC

Mr. Troy Tomita, Kaiser

35 Ms. Monica Kim, VSP

36
37 I. CALL TO ORDER

38 The meeting of the Board of Trustees was called to order at 9:00 a.m. by
39 Chairperson Roderick Becker, in the Hawaii Employer-Union Health Benefits Trust Fund
40 (EUTF) Board Room, 201 Merchant Street, Honolulu, Hawaii, on Monday,
41 November 7, 2016.

42
43 Mr. Derek Mizuno introduced staff member, Ms. Emily Kaneakua, EUTF Outreach &
44 Training Supervisor.

45
46 Chairperson Becker stated a memorandum was emailed to the Board regarding an additional
47 agenda item to add "Constitutional Amendment Relating to the Disposition of Excess
48 Revenues".

49
50 Recessed at 9:02 a.m. and reconvened at 9:03 a.m.

51

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1 MOTION was made to amend the agenda to add “Constitutional Amendment Relating to the
2 Disposition of Excess Revenues” under IV. New Business before item A. (Hidano/Pressler)
3 The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)
4

5 II. MINUTES

6 A. September 27, 2016

7 The Board reviewed the draft minutes of September 27, 2016.
8

9 MOTION was made to approve the minutes of September 27, 2016 as circulated.
10 (Hidano/Currivan Musto) The motion passed unanimously. (Employer Trustees-
11 5/Employee-Beneficiary Trustees-4)
12

13 III. EXECUTIVE SESSION

14 MOTION was made for the Board to move into Executive Session at 9:04 a.m.
15 (Hidano/Machida) The motion passed unanimously. (Employer Trustees-5/Employee-
16 Beneficiary Trustees-4)
17

18 Executive Session recessed at 11:41 a.m.
19

20 Chairperson Becker reported that the Board took the following actions in Executive Session:
21

- 22 1. Approved the Executive Session minutes of September 27, 2016.
- 23 2. Denied an appeal to change effective date.
- 24 3. Approved an appeal for late open enrollment.
25

26 IV. NEW BUSINESS

27 Added – Constitutional Amendment Relating to the Disposition of Excess Revenues
28 Mr. Mizuno summarized the added agenda on the Constitutional Amendment Relating to the
29 Disposition of Excess Revenues. The Employees’ Retirement System of the State of Hawaii
30 supports this constitutional amendment. Discussion held by the Trustees and staff
31 regarding concerns and/or benefits related to this amendment and procedures for motions
32 that the EUTF will review.
33

34 MOTION was made to have the Board support the Constitutional Amendment Relating to
35 the Disposition of Excess Reserves and authorize the Chair/Administrator to release the
36 Draft press release immediately. (Pressler/Hidano) The motion failed. (Employer Trustees-
37 5 YES-Becker, Hidano, Machida, Nishimoto, Pressler/Employee-Beneficiary Trustees-1
38 YES-Currivan Musto, 3 NO-Murakami, Nip, Uwayne)
39
40

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1 A. Committee Assignments

2 Mr. Mizuno announced a change in Committee assignments. Trustee Linda Currivan
3 Musto will be replaced by Trustee Gordon Murakami on the Investment Committee.
4

5 B. IFEBP 2017 Conference, Las Vegas, Nevada October 22-25, 2017 (preconference
6 October 21-22, 2017)

7 Mr. Mizuno reported that the IFEBP 2017 Conference will be held in Las Vegas,
8 Nevada from October 21-25, 2017. The EUTF budgeted for FY 18 for 10 out-of-state
9 travel for Board and 5 for staff.

10
11 MOTION was made for the Board to send up to 10 trustees and 5 staff to the IFEBP
12 Conference in Las Vegas, Nevada, October 21-25, 2017. (Nip/Hidano) The motion
13 passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)
14

15 V. COMMITTEE REPORTS

16 A. Investment Committee Report

17 Mr. Kuan Yuan reported the correct date in the first sentence of the Investment
18 Committee Report is October 4, 2016 and summarized the Investment Committee report
19 for the following agenda items.

20 1. Pension Consulting Alliance

21 a. Private Markets Investment Plans

22 b. Education Overview: Systematic Trend Following

23 c. Finalist Recommendation – Systematic Trend Following

24 2. Excess Reserve Portfolio Asset Allocation
25

26 B. Administrative Committee

27 1. 2017 Legislative Proposal – Amendment to HRS 87A-33(b)

28 Mr. Mizuno summarized HRS 87A-33(b). No action taken.
29

30 C. Benefits Committee Report

31 1. Prescription Drug Plan Proposed Active and Retiree Plan Changes

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

33 Mr. Mizuno summarized the separate prescription drug plan options. Segal will
34 be presenting premiums for the different options at a future Board meeting.
35

36 b. Advanced Control Specialty Formulary

37 Mr. Mizuno summarized the Advance Control Specialty Formulary.
38

39 MOTION was made to approve the Benefits Committee recommendation to
40 adopt the Advanced Control Specialty Formulary for the EUTF active employee
41 and non-Medicare retiree plans, excluding HSTA VB plans, effective
42 July 1, 2017. (Pressler/Machida) The motion passed unanimously. (Employer
43 Trustees-5/Employee-Beneficiary Trustees-4)
44

45 2. HMSA Medical Proposed Active and Retiree Plan Changes

46 Mr. Mizuno reported the Committee discussed the 15 proposed changes by HMSA
47 and the Dr. Dean Ornish program and summarized the proposed changes.
48

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1 MOTION was made to approve the Benefits Committee recommendation to:

- 2 3) Remove the age (under age 26) limit from the orthodontic services benefit for
3 treatment of orofacial anomalies due to birth defects in accordance with
4 federal law
5 4) Remove the limit (two per lifetime) on voluntary pregnancy terminations in
6 accordance with federal law
7 5) Clarify coverage for newborns in accordance with federal law and a
8 voluntary change to add coverage for the first 31 days of congenital defects
9 and birth abnormalities even if the newborn is not added to coverage

10 For the EUTF and HSTA VB HMSA active employee, effective July 1, 2017, and
11 retiree effective, January 1, 2017, plans. (Pressler/Currivan Musto) The motion
12 passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

13
14 MOTION was made to approve the Benefits Committee recommendation to:

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

18 For the EUTF HMSA active employee plans, excluding HSTA VB plans, effective
19 July 1, 2017. (Pressler/Nip) The motion passed unanimously. (Employer Trustees-
20 5/Employee-Beneficiary Trustees-4)

21
22 MOTION was made to:

- 23 1) Add coverage for gender identity services in accordance with Act 135, SLH
24 2016 and federal law for the EUTF and HSTA VB active employee effective,
25 July 1, 2017, and retiree, effective January 1, 2017, plans.
26 2) Remove the dollar (\$25,000) and age (under age 14) limits from the autism
27 spectrum disorder benefit in accordance with federal law for the EUTF and
28 HSTA VB HMSA retiree plans effective January 1, 2017.

29 (Uwaine/Murakami) The motion passed unanimously. (Employer
30 Trustees-5/Employee-Beneficiary Trustees-4)

31
32 Discussion was held by the Trustees, staff, and benefits consultant regarding the
33 Dr. Dean Ornish program.

34
35 MOTION was made to continue the Dr. Dean Ornish program for the EUTF HMSA
36 active employee plans, excluding the HSTA VB plans, January 1, 2017 through
37 June 30, 2018 and add the Dr. Dean Ornish program to the EUTF HMSA retiree
38 plans, excluding the HSTA VB plans, January 1, 2017 through December 31, 2017.
39 (Uwaine/Pressler) The motion passed. (Employer Trustees-4 YES-Hidano,
40 Machida, Nishimoto, Pressler, 1 NO-Becker/Employee-Beneficiary Trustees 4 YES-
41 Currivan Musto, Murakami, Nip, Uwaine)

42
43 Discussion held by the Trustees and staff to review/evaluate the Dr. Dean Ornish
44 program at the end of dates.

45
46 Proposed item numbers 2 (for active employees only), 10, 11, and 15 are deferred.
47 There is no recommendation from the Benefits Committee for item numbers 7, 8, 12,
48 13, and 14.

1
2 3. Kaiser Medical and Prescription Drug Proposed Active and Retiree Plan Changes
3

4 MOTION was made to approve the Benefits Committee recommendation to:

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

12 For the EUTF and HSTA VB Kaiser active employee, effective July 1, 2017, and
13 retiree, effective January 1, 2017, plans. (Pressler/Nip) The motion passed
14 unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

15
16 The proposed benefit to add the out-of-state dependent for the EUTF and HSTA VB
17 active employee plans effective July 1, 2017 is deferred.
18

19 4. HDS Dental Proposed HSTA VB Active Plan Changes

20 There is no recommendation by the Benefits Committee for the HDS dental
21 proposal. No action was taken.
22

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

24 Segal reported on the recently published final rule governing wellness programs.
25

26 VI. Reports

27 A. Segal

28 1. Public Sector Benefits Compliance News – June 23, 2016

29 Mr. Tom Morrison summarized the new Rule requirement published by the
30 Department of Health and Human Services (HHS)
31

32 2. Practical Research on Public Sector Benefits – Fall 2016

33 A copy of the “Practical Research on Public Sector Benefits-Fall 2016 was in the
34 Board’s packet for their review.
35

36 B. Administrator

37 The Administrator’s report was in Board’s packet.

- 38 1. Adult disabled child project (no discussion held)
39 2. Student certification project (no discussion held)
40 3. HMSA covering chiropractic services (no discussion held)
41 4. HMSA limited prescription drug benefits (no discussion held)
42 5. HMSA specialty prescription drug benefits (no discussion held)
43 6. Steering Committee for Implementation of HB2482 All Payer Claims Database (no
44 discussion held)
45 7. Administration Staffing Update (no discussion held)
46 8. Meetings with Key Legislators (no discussion held)
47

48 C. EUTF Managers’ and Program Specialist Operations Reports

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- 1 The EUTF Managers’ and Program Specialist Operations Reports were in the Board’s
2 packet.
3 1. Member Services Branch (MSB)
4 a. MSB Data
5 b. MSB Customer Service Improvement Project – Survey Results
6 c. Open Enrollment
7 d. MSB Staffing Update
8 e. Carrier Reports
9 2. Information Systems (IS)
10 a. Retiree Open Enrollment 2017
11 b. V3 BAS Modified Phase II (Employer File Feed)
12 c. Vitech Rebill Issue
13 d. Oracle Database Upgrade and Encryption
14 e. EUTF Computer Encryption
15 f. EUTF Health Benefits Hardware Service Replacement
16 g. EUTF Local Area Network File Server Move
17 h. IS Staffing Update
18 i. Enrollment Counts
19 3. EUTF Program Specialist Report
20 a. Preventative Health and Wellness Benefits
21 b. Disease Management (DM) Benefits
22 c. Benefit Plan Audit Services
23 d. Other
24 4. Financial Services Branch
25 a. Management Letter Corrective Action Plan Status
26 b. Electronic Payment by Members
27 c. ERS Pension Deduction
28 d. 2016 Financial Audit
29 e. Financial Services Branch Staffing Update
30 f. Financial Statements as of June 30, 2016
31
32 D. Carrier Reports
33 1. CVS Caremark
34 Written report submitted.
35
36 2. SilverScript
37 Written report submitted.
38
39 3. Hawaii Dental Service (HDS)
40 Written report submitted.
41
42 4. Hawaii Medical Service Association (HMSA)
43 Written report submitted.
44
45 5. Kaiser Health Foundation
46 Written report submitted.
47
48 6. Royal State Insurance

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1 Written report submitted.

2

3

7. UnitedHealthcare

4

Written report submitted.

5

6

8. US Able Life

7

Written report submitted.

8

9

9. Vision Service Plan (VSP)

10

Written report submitted.

11

12 III. EXECUTIVE SESSION (continued)

13

The meeting reconvened at 12:26 p.m.

14

15

Executive Session adjourned at 12:59 p.m.

16

17

The Board did not take any action in Executive Session.

18

19

VII. NEXT MEETING DATE

20

A. November 22, 2016, 9:00 a.m. (regular board meeting)

21

22

B. November 23, 2016, 11:00 a.m. (strategic planning session)

23

Trustee Uwaine will be unable to attend this Board meeting.

24

1
2 VIII. ADJOURNMENT

3 MOTION was made for the Board to adjourn meeting at 1:00 p.m. (Nip/Uwaine) The
4 motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

5
6 Respectfully submitted,

7
8
9 /s/

10
11 _____
12 Gordon Murakami, Secretary-Treasurer

13
14 APPROVED on November 23, 2016.

15 APPROVED on June 27, 2017 as amended.

16
17 Documents Distributed:

- 18 1. Memorandum to BOT from the Administrator Regarding Additional Agenda Item dated
19 11/3/16. (12 pages)
- 20 2. Draft Board Minutes of 9/27/16. (6 pages)
- 21 3. EUTF Committees listing dated 8/15/16 (1 page)
- 22 4. Memorandum to BOT from the Investment Committee Regarding the October 4, 2016
23 Investment Committee Meeting dated 10/5/16. (2 pages)
- 24 5. Memorandum to BOT from the Administrative Committee Regarding the November 2, 2016
25 Administrative Committee Meeting dated 11/2/16. (1 page)
- 26 6. Memorandum to BOT from the Benefits Committee Regarding the November 3, 2016 Benefits
27 Committee Meeting dated 11/3/16. (3 pages)
- 28 7. Public Sector Benefits Compliance News by Segal Consulting dated 6/23/16. (4 pages)
- 29 8. Practical Research on Public Sector Benefits by Segal Consulting for Fall 2016. (15 pages)
- 30 9. Administrator's Monthly Report to the Board from 9/17/16-10/28/16. (2 pages)
- 31 10. Memorandum to BOT from MSB Manager Regarding September-October 2016 MSB
32 Operations Report dated 10/28/16. (8 pages)
- 33 11. Memorandum to BOT from IS Chief Regarding September-October 2016 IS Operations Report
34 dated 10/28/16. (12 pages)
- 35 12. Memorandum to Administrator from Program Specialist Regarding September-October 2016
36 EUTF Program Specialist Report dated 10/28/16. (2 pages)
- 37 13. Memorandum to BOT from Financial Management Officer Regarding September-October 2016
38 Financial Services Branch (FSB) Report dated 10/28/16. (2 pages)
- 39 14. CVS Caremark Monthly Carrier Report for September 2016 dated 10/7/16. (13 pages)
- 40 15. SilverScript Monthly Carrier Report for September 2016 dated 10/5/16. (3 pages)
- 41 16. HDS Monthly Carrier Report for September 2016 dated 10/7/16. (2 pages)
- 42 17. HMSA Monthly Carrier Report for September 2016 dated 10/17/16. (2 pages)
- 43 18. Kaiser Monthly Carrier Report for September 2016 dated 10/7/16. (2 pages)
- 44 19. Royal State Insurance Monthly Carrier Reports for September 2016 (Chiropractic and
45 Supplemental Medical Plans) dated 10/6/16. (4 pages)
- 46 20. UnitedHealthcare Monthly Carrier Report for September 2016 dated 10/17/16. (1 page)
- 47 21. VSP Monthly Carrier Report for September 2016 dated 10/7/16. (8 pages)