I. CALL TO ORDER

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

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

Chairperson Becker stated a memorandum was emailed to the Board regarding an additional agenda item to add “Constitutional Amendment Relating to the Disposition of Excess Revenues”.

Recessed at 9:02 a.m. and reconvened at 9:03 a.m.
MOTION was made to amend the agenda to add “Constitutional Amendment Relating to the Disposition of Excess Revenues” under IV. New Business before item A. (Hidano/Pressler) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

II. MINUTES
A. September 27, 2016
The Board reviewed the draft minutes of September 27, 2016.

MOTION was made to approve the minutes of September 27, 2016 as circulated. (Hidano/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 9:04 a.m. (Hidano/Machida) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Executive Session recessed at 11:41 a.m.

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

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

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

MOTION was made to have the Board support the Constitutional Amendment Relating to the Disposition of Excess Reserves and authorize the Chair/Administrator to release the Draft press release immediately. (Pressler/Hidano) The motion failed. (Employer Trustees-5 YES-Becker, Hidano, Machida, Nishimoto, Pressler/Employee-Beneficiary Trustees-1 YES-Currivan Musto, 3 NO-Murakami, Nip, Uwaine)
A. Committee Assignments
Mr. Mizuno announced a change in Committee assignments. Trustee Linda Currivan Musto will be replaced by Trustee Gordon Murakami on the Investment Committee.

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

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

V. COMMITTEE REPORTS
A. Investment Committee Report
Mr. Kuan Yuan reported the correct date in the first sentence of the Investment Committee Report is October 4, 2016 and summarized the Investment Committee report for the following agenda items.
1. Pension Consulting Alliance
   a. Private Markets Investment Plans
   b. Education Overview: Systematic Trend Following
   c. Finalist Recommendation – Systematic Trend Following
2. Excess Reserve Portfolio Asset Allocation

B. Administrative Committee
1. 2017 Legislative Proposal – Amendment to HRS 87A-33(b)
   Mr. Mizuno summarized HRS 87A-33(b). No action taken.

C. Benefits Committee Report
1. Prescription Drug Plan Proposed Active and Retiree Plan Changes
   a. Separate Prescription Drug Plan Bundled With the HMSA 75/25 Plan
      Mr. Mizuno summarized the separate prescription drug plan options. Segal will be presenting premiums for the different options at a future Board meeting.
   b. Advanced Control Specialty Formulary
      Mr. Mizuno summarized the Advance Control Specialty Formulary.
      
      MOTION was made to approve the Benefits Committee recommendation to adopt the Advanced Control Specialty Formulary for the EUTF active employee and non-Medicare retiree plans, excluding HSTA VB plans, effective July 1, 2017. (Pressler/Machida) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

2. HMSA Medical Proposed Active and Retiree Plan Changes
   Mr. Mizuno reported the Committee discussed the 15 proposed changes by HMSA and the Dr. Dean Ornish program and summarized the proposed changes.
MOTION was made to approve the Benefits Committee recommendation to:

3) Remove the age (under age 26) limit from the orthodontic services benefit for treatment of orofacial anomalies due to birth defects in accordance with federal law.
4) Remove the limit (two per lifetime) on voluntary pregnancy terminations in accordance with federal law.
5) Clarify 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. For the EUTF and HSTA VB HMSA active employee, effective July 1, 2017, and retiree effective, January 1, 2017, plans. (Pressler/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

MOTION was made to approve the Benefits Committee recommendation to:

6) Add a supportive care benefit 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. For the EUTF HMSA active employee plans, excluding HSTA VB plans, effective July 1, 2017. (Pressler/Nip) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

MOTION was made to:

1) Add coverage for gender identity services in accordance with Act 135, SLH 2016 and federal law for the EUTF and HSTA VB active employee effective, July 1, 2017, and retiree, effective January 1, 2017, plans.
2) Remove the dollar ($25,000) and age (under age 14) limits from the autism spectrum disorder benefit in accordance with federal law for the EUTF and HSTA VB HMSA retiree plans effective January 1, 2017. (Uwaine/Murakami) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

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

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

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

Proposed item numbers 2 (for active employees only), 10, 11, and 15 are deferred. There is no recommendation from the Benefits Committee for item numbers 7, 8, 12, 13, and 14.
3. Kaiser Medical and Prescription Drug Proposed Active and Retiree Plan Changes

MOTION was made to approve the Benefits Committee recommendation to:
1) Add coverage for gender reassignment surgery in accordance with federal law
2) Remove the dollar ($25,000) and age limit (under age 14) from the autism spectrum disorder benefit in accordance with federal law
3) Remove the age limit (under age 26) from the orthodontic services benefit for treatment of orofacial anomalies due to birth defects in accordance with federal law

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

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

4. HDS Dental Proposed HSTA VB Active Plan Changes
There is no recommendation by the Benefits Committee for the HDS dental proposal. No action was taken.

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

VI. Reports
A. Segal
Mr. Tom Morrison summarized the new Rule requirement published by the Department of Health and Human Services (HHS)

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

B. Administrator
The Administrator’s report was in Board’s packet.
1. Adult disabled child project (no discussion held)
2. Student certification project (no discussion held)
3. HMSA covering chiropractic services (no discussion held)
4. HMSA limited prescription drug benefits (no discussion held)
5. HMSA specialty prescription drug benefits (no discussion held)
6. Steering Committee for Implementation of HB2482 All Payer Claims Database (no discussion held)
7. Administration Staffing Update (no discussion held)
8. Meetings with Key Legislators (no discussion held)

C. 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. Open Enrollment
   d. MSB Staffing Update
   e. 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. EUTF Health Benefits Hardware Service Replacement
   g. EUTF Local Area Network File Server Move
   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
   d. Other

4. Financial Services Branch
   a. Management Letter Corrective Action Plan Status
   b. Electronic Payment by Members
   c. ERS Pension Deduction
   d. 2016 Financial Audit
   e. Financial Services Branch Staffing Update

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.
   5. Kaiser Health Foundation
      Written report submitted.
   6. Royal State Insurance
Written report submitted.

7. UnitedHealthcare
   Written report submitted.

8. USable Life
   Written report submitted.

9. Vision Service Plan (VSP)
   Written report submitted.

III. EXECUTIVE SESSION (continued)

The meeting reconvened at 12:26 p.m.

Executive Session adjourned at 12:59 p.m.

The Board did not take any action in Executive Session.

VII. NEXT MEETING DATE

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

B. November 23, 2016, 11:00 a.m. (strategic planning session)
   Trustee Uwaine will be unable to attend this Board meeting.
VIII. ADJOURNMENT

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

Respectfully submitted,

/s/

____________________________________
Gordon Murakami, Secretary-Treasurer

APPROVED on November 23, 2016.
APPROVED on June 27, 2017 as amended.

Documents Distributed:

1. Memorandum to BOT from the Administrator Regarding Additional Agenda Item dated 11/3/16. (12 pages)
2. Draft Board Minutes of 9/27/16. (6 pages)
3. EUTF Committees listing dated 8/15/16 (1 page)
4. Memorandum to BOT from the Investment Committee Regarding the October 4, 2016 Investment Committee Meeting dated 10/5/16. (2 pages)
5. Memorandum to BOT from the Administrative Committee Regarding the November 2, 2016 Administrative Committee Meeting dated 11/2/16. (1 page)
6. Memorandum to BOT from the Benefits Committee Regarding the November 3, 2016 Benefits Committee Meeting dated 11/3/16. (3 pages)
8. Practical Research on Public Sector Benefits by Segal Consulting for Fall 2016. (15 pages)
12. Memorandum to Administrator from Program Specialist Regarding September-October 2016 EUTF Program Specialist Report dated 10/28/16. (2 pages)
16. HDS Monthly Carrier Report for September 2016 dated 10/7/16. (2 pages)
17. HMSA Monthly Carrier Report for September 2016 dated 10/17/16. (2 pages)