

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, August 22, 2017

TRUSTEES PRESENT

Mr. Gordon Murakami, Chairperson	Ms. Audrey Hidano
Ms. Laurel Johnston, Secretary-Treasurer (arrived 8:36 a.m.)	Ms. Celeste Nip (arrived 8:49 a.m.)
Mr. Roderick Becker	Dr. Virginia Pressler (excused 11:40 a.m.)
Ms. Linda Currivan Musto	Mr. Clifford Uwaine

TRUSTEES ABSENT:

Mr. James Nishimoto

ATTORNEY

Ms. Jodi Yi, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Thomas Morrison, Benefits Consultant
Ms. Donna Tonaki, Assistant Administrator	Mr. Raymond Kan
Ms. Maria Quartero	Ms. Emily Kaneakua
Ms. Linda Green	Ms. Jessica McDonald
Ms. Shannon "Heather" Hall	Mr. Rodney Shinno
Ms. Bonny Kahalewai	

OTHERS PRESENT

Ms. Marissa Adachi, HMSA	Ms. Mae Kishimoto, HSTA-R
Mr. Carl Barton, Sharecare, Inc.	Ms. Cheryl Keita, HMSA
Ms. Nikki Bassett, USABLE	Mr. Brandon Kumabe, HMSA
Ms. Sandra Benevides, CVS Health	Mr. Christopher Letoto, HMSA
Ms. Elaine Fujiwara, HDS	Mr. Douglas Murata, Royal State
Mr. Susan Goya, HGEA-R	Mr. Robert Nishimoto, WAM
Mr. Galen Haneda, HMSA	Mr. Glenn Park, HGEA-R
Mr. Ryan Hirasuna, HMSA	Dr. Stephanie Park, HMSA
Ms. Danielle Jones, UHC	Mr. Troy Tomita, Kaiser
Ms. Monica Kim, VSP	Ms. Valerie Yamamoto, HMSA

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 8:30 a.m. by Chairperson Gordon Murakami, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, August 22, 2017.

II. MINUTES

A. July 25, 2017

The Board reviewed the draft minutes of July 25, 2017.

MOTION was made and seconded to approve the minutes of July 25, 2017 as circulated. (Uwaine/Pressler) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

III. EXECUTIVE SESSION

MOTION was made and seconded for the Board to move into Executive Session at 8:33 a.m. (Pressler/Becker) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

The regular meeting reconvened from Executive Session at 10:49 a.m., immediately went into recess, and reconvened at 10:55 a.m.

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

1. Approved the Executive Session minutes of July 25, 2017 as circulated.
2. Approved an appeal for reinstatement of enrollment.
3. Approved Royal State National contract amendments relating to claims audit responsibilities.

IV. BENEFITS COMMITTEE REPORT

A. HMSA Retiree Benefit Plan Design

This item is deferred.

B. CVS Formulary Options

Mr. Mizuno reported that CVS provided alternative options to the EUTF's current Standard Formulary Without Exclusions. CVS will present formulary options with costs savings and disruption analyses for active employees and non-Medicare retirees effective July 1, 2018 at the October 30, 2017 Benefits Committee meeting.

C. CVS Specialty Copayment Coupon Program

Mr. Mizuno reported that CVS will not be able to implement the specialty copayment coupon program to the EUTF plans because CVS is not the exclusive specialty provider. In the past, CVS was the exclusive specialty provider. However this was discontinued with the passage of Act 226, SLH 2013 which prohibited this arrangement.

V. NEW BUSINESS

A. Election of a Vice Chairperson

Trustee Nip was nominated for Vice Chairperson. (Uwaine/Currivan Musto)

MOTION was made and seconded to appoint Trustee Nip as Vice Chairperson. (Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Trustee Nip is the Vice-Chairperson.

B. 2018 Legislative Proposals

Mr. Mizuno presented two carryover legislative proposals that did not past last session.

MOTION was made and seconded to propose a bill at the 2018 legislative session to amend the HRS 87A definition of a child to exclude those born or legally adopted 10 months after the death of an employee, killed in the performance of duty or eligible to retire, or a retiree. (Becker/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

MOTION was made and seconded to propose a bill at the 2018 legislative session to amend HRS 87A to exempt the EUTF from the mandatory benefit requirements of HRS 431, 432, 432D and 432G. (Becker/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

C. Fiscal Year 2018-2019 Proposed Supplemental Budget Amendments

Mr. Mizuno presented the staff recommendation to add two positions in the fiscal year 2019 supplemental budget request, Member Services Clerk and EUTF Program Specialist.

MOTION was made and seconded to approve the proposed EUTF supplemental budget for fiscal year 2019. (Uwaine/Hidano) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

VI. OLD BUSINESS

A. HMSA Proposed Retiree Benefit Plan Design Changes

Trustee Uwaine asked to defer this agenda item and to place it on the next Board agenda.

VII. REPORTS

A. Segal

Mr. Tom Morrison discussed the next five items with the Board.

1. Five Year Rate Projections
2. IBNR Determination for Self-Insured Pharmacy Benefit Plan
3. Plan Performance Report through June 30, 2017
4. Performance Guarantee Report through June 30, 2017
5. Quarterly Trend Survey

B. Administrator

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

1. HMSA covering chiropractic services
2. HMSA limited prescription drug benefits
3. Administration staffing update
4. Meetings with key legislators and unions

5. Public engagement

Mr. Mizuno and the Board discussed the submission of an editorial to the Honolulu Star Advertiser. Trustees will continue to review the draft.

Trustee Pressler was excused at 11:40 a.m.

C. EUTF Managers', Program Specialist and Benefits Audit Specialist Reports

The Managers', Benefits Audit Specialist, and Program Specialist reports were in the Board packet.

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. MSB Customer Service Improvement Project – Survey Results
 - c. 2018 Open Enrollment for Retired Employees

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

August 22, 2017 Minutes

Page 4

- d. MSB Staffing Update
- e. Carrier Reports

- 2. Information Systems (IS)
 - a. V3 Benefits Administration System (V3 BAS) Modified Phase II (Employer File Feed)
 - b. Vitech Rebill Issue
 - c. EUTF Health Benefits Hardware Server Replacement
 - d. Electronic Deductions
 - e. V3 BAS Feasibility Study
 - f. Call Back System
 - g. IT Roadmap
 - h. IS Staffing Update
 - i. Enrollment Counts

- 3. EUTF Benefits Audit Specialist Report
 - a. Adult Disabled Child Recertification (Active Employees)
 - b. Unreported Divorces (Active Employees)
 - c. Domestic Partner Recertification (Retirees)
 - d. Additional Audits To Be Initiated By 12/31/17

- 4. EUTF Program Specialist Report
 - a. Preventative Health and Wellness Benefits
 - b. Disease Management (DM) Benefits
 - c. EUTF Blue Zones Project

- 5. Financial Services Branch
 - a. Management Letter Corrective Action Plan Status
 - b. Electronic Payment by Members
 - c. 2017 Financial Audit
 - d. Financial Services Branch Staffing Update
 - e. Financial Statements as of June 30, 2017

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

VIII. NEXT MEETING DATE

- A. September 26, 2017, 8:30 a.m.
Trustee Currivan Musto will not be able to attend this meeting.

IX. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn meeting at 11:45 a.m. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Laurel Johnston, Secretary-Treasurer

APPROVED on September 26, 2017.

Documents Distributed:

1. Draft Board Minutes of 7/25/17. (6 pages)
2. Memorandum to BOT from Benefits Committee Regarding August 21, 2017 Benefits Committee meeting dated 8/21/17. (1 page)
3. Memorandum to BOT from Administrator Regarding 2018 Legislative Proposals dated 8/16/17. (12 pages)
4. Memorandum to BOT from Administrator Regarding Supplemental Budget Request for FY2019 dated 8/17/17. (11 pages)
5. Memorandum to BOT from Segal Consulting Regarding Five-Year Rate Projection with Approved 2018 Retiree Rates dated 8/22/17. (7 pages)
6. Memorandum to BOT from Segal Consulting Regarding 6/30/17 IBNR Calculation dated 8/8/17. (2 pages)
7. Trends Health Plan News at a Glance for the Public Sector from Segal Consulting, Third Quarter 2017. (1 page)
8. EUTF Year to Date Contract Plan Experience Report Contract Year to Date through June 2017 dated 8/22/17. (41 pages)
9. Administrator's Monthly Report to the Board from 7/15/17-8/11/17 dated 8/11/17. (3 pages)
10. Memorandum to BOT from Member Services Branch Manager Regarding July-August 2017 Member Services Operations Report dated 8/11/17. (8 pages)
11. Memorandum to BOT from Information Systems Chief Regarding July-August 2017 Information Systems (IS) Operations Report dated 8/11/17. (11 pages)
12. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding July-August 2017 EUTF Benefits Audit Specialist Report dated 8/11/17. (2 pages)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

August 22, 2017 Minutes

Page 6

13. Memorandum to Administrator from EUTF Program Specialist Regarding July-August 2017 EUTF Program Specialist Report dated 8/11/17. (2 pages)
14. Memorandum to BOT from Financial Management Officer Regarding July-August 2017 Financial Services Branch (FSB) Report dated 8/11/17. (2 pages)
15. CVS Caremark Monthly Carrier Report for July 2017 dated 8/10/17. (3 pages)
16. SilverScript Monthly Carrier Report for July 2017 dated 8/4/17. (4 pages)
17. HDS Monthly Carrier Report for July 2017 dated 8/10/17. (2 pages)
18. HMSA Monthly Carrier Report for July 2017 dated 8/14/17. (2 pages)
19. Kaiser Monthly Carrier Report for July 2017 dated 8/10/17. (2 pages)
20. Royal State Insurance Monthly Carrier Reports for July 2017 (Chiropractic and Supplemental Medical Plans) dated 8/8/17. (4 pages)
21. UnitedHealthcare Monthly Carrier Report for July 2017 dated 8/3/17. (1 page)
22. US Able Life Monthly Carrier Report for July 2017 dated 8/10/17. (2 pages)
23. VSP Monthly Carrier Report for July 2017 dated 8/9/17. (8 pages)