

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, December 19, 2017

TRUSTEES PRESENT

Mr. Gordon Murakami, Chairperson	Mr. Christian Fern
Ms. Celeste Nip, Vice Chairperson	Ms. Audrey Hidano
Ms. Laurel Johnston, Secretary-Treasurer	Mr. James Nishimoto
Mr. Roderick Becker	Dr. Virginia Pressler
Ms. Linda Currivan Musto	

TRUSTEES ABSENT

Mr. Clifford Uwaine

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Thomas Morrison, Benefits Consultant
Ms. Donna Tonaki, Assistant Administrator	Ms. Shannon "Heather" Hall
Ms. Maria Quartero	Ms. Bonny Kahalewai
Ms. Amy Cheung	Mr. Raymond Kan
Ms. Linda Green	Ms. Lara Nitta

OTHERS PRESENT

Ms. Dina Aun, CVS Caremark	Ms. Monica Kim, VSP
Ms. Marissa Adachi, HMSA	Ms. Mae Kishimoto, HSTA-R
Ms. Darlynn Barte, HMSA	Mr. Brandon Kumabe, HMSA
Ms. Nikki Bassett, USABLE	Mr. Christopher Letoto, HMSA
Ms. Sandra Benevides, CVS Health	Mr. Douglas Murata, Royal State
Ms. Elaine Fujiwara, HDS	Mr. Kyle Niuro, HMSA
Ms. Susan Goya, HGEA-R	Mr. Robert Nishimoto, Senate WAM
Mr. Galen Haneda, HMSA	Mr. Glenn Park, HGEA-R
Ms. Keiko Hiraoka, Lilly	Ms. Cindy Richardson, Kaiser
Mr. Ryan Hirasuna, HMSA	Mr. Dave Shiroma, Kaiser

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:00 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, December 19, 2017.

II. MINUTES

A. November 28, 2017

The Board reviewed the draft minutes of November 28, 2017.

MOTION was made and seconded to approve the minutes of November 28, 2017 as circulated. (Currivan Musto/Nishimoto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

III. EXECUTIVE SESSION

MOTION was made and seconded for the Board to move into Executive Session at 9:02 a.m. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

The regular meeting recessed at 11:08 a.m. and reconvened from Executive Session at 11:12 a.m.

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

1. Approved the Executive Session minutes of November 28, 2017.
2. Approved separate RFPs for dental, vision and life insurance benefits.
3. Approved award of contract for a benefits administration system feasibility study.
4. Approved the EUTF strategic plan 1/1/18-6/30/21.

IV. OLD BUSINESS

A. HMSA Active and Retiree Benefits

Mr. Derek Mizuno discussed the possible continuation of the Ornish heart disease program for the active employees 7/1/18-6/30/19 and retirees 1/1/18-12/31/18.

MOTION was made and seconded to continue the HMSA heart disease program as a pilot program for the EUTF HMSA active employee plans for the period 7/1/18-6/30/19, excluding the HSTA VB plans, subject to the pricing provided by HMSA as discussed in Executive Session. (Pressler/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

MOTION was made and seconded to continue the HMSA heart disease program as a pilot program for the EUTF HMSA retiree plans for the calendar year 2018 effective as soon as possible, excluding the HSTA VB plans, subject to the pricing provided by HMSA as discussed in Executive Session. (Currivan Musto/Nip) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Mr. Mizuno discussed the history of the proposed HMSA supportive care benefit for retirees.

MOTION was made and seconded to add the home based supportive care benefit as a pilot program to the EUTF retiree plan for the calendar years 2018 and 2019 as soon as possible, excluding the HSTA VB plans. (Pressler/Nip) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

V. NEW BUSINESS

A. Self-Funded Prescription Drug and Supplemental Medical and Prescription Drug Rates for Active Employees Effective July 1, 2018

Mr. Tom Morrison, Segal Company, discussed the change in the benefits and the funding mechanism (i.e. fully insured with risk sharing to self-funded) for the EUTF active employee supplemental medical and prescription drug plan and the proposed rates effective July 1, 2018.

MOTION was made and seconded to approve the rates for the self-funded supplemental medical and prescription drug active employee plan effective July 1, 2018 as presented by the Segal Company. (Becker/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Mr. Morrison presented the active employee self-funded prescription drug rates effective July 1, 2018.

MOTION was made and seconded to approve the rates for the self-funded prescription drug active employee plans effective July 1, 2018 as presented by the Segal Company. (Becker/Pressler) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

B. Active Employee Rates for Bargaining Unit 12 (SHOPO)

Mr. Mizuno presented the impact to the SHOPO employees and employers, and non-SHOPO employees and employers of discontinuing the separate bargaining unit (SHOPO) rates effective July 1, 2018 and the available options considering the SHOPO collective bargaining agreement. The trustees discussed the significant impact to the SHOPO employees of making a change effective July 1, 2018 should the employers not adjust their contributions July 1, 2018.

MOTION was made and seconded to allow the separate medical and prescription drug premiums for active employees who are members of bargaining unit 12 through June 30, 2019. (Pressler/Currivan Musto) Trustee Nishimoto stated that this does not mean that SHOPO could not have separate rates after that. Trustee Becker stated that the Board would have to reverse this decision for that to happen. The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

C. Recovery of Amounts Related to Remarried Surviving Spouses

Ms. Heather Hall presented the process and results of the audit to identify unreported remarriages of surviving spouses, and a EUTF staff recommendation to limit collection of employer contributions to two years, other than possible fraud situations.

MOTION was made and seconded to approve the EUTF staff's recommendation to collect employer contributions for remarried surviving spouses for a period of two years prior to termination of plans by EUTF except for those amounts forwarded to the State Department of the Attorney General for collection. (Johnston/Pressler) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

VI. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:47 a.m. (Nip/Becker) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Laurel Johnston, Secretary-Treasurer

APPROVED on January 8, 2018.

Documents Distributed:

1. Draft Board Minutes of 11/28/17. (5 pages)
2. Memorandum to BOT from Segal Consulting Regarding RFP 17-004-Self-Insured Claims Projection dated 12/19/17. (2 pages)
3. Memorandum to BOT from Segal Consulting Regarding 2018/2019 Active Prescription Drug Rates dated 12/19/17. (4 pages)
4. Memorandum to BOT from Segal Consulting Regarding 2018/2019 Active Combined Medical and Prescription Drug Rates (HMSA and CVS) dated 12/19/17. (4 pages)
5. Memorandum to BOT from Administrator Regarding Active Employee Rates for Bargaining Unit 12 (SHOPO) dated 12/18/17. (34 pages)
6. Memorandum to BOT from Segal Consulting Regarding Updated Experience by Plan by Bargaining Unit dated 12/19/17. (2 pages)
7. Memorandum to BOT from Segal Consulting Regarding Estimated Adjustment to Rates by Bargaining Unit dated 11/21/16. (2 pages)
8. Memorandum to BOT from Benefits Audit Specialist Regarding Recovery of Amounts Related to Remarried Surviving Spouses dated 12/8/17. (2 pages)
9. Memorandum to BOT from Administrator Regarding Board meeting schedule dated 12/13/17. (2 pages)
10. Administrator's Monthly Report to the Board from 11/18/17-12/8/17 dated 12/8/17. (1 page)
11. Memorandum to BOT from Member Services Branch Manager Regarding November-December 2017 Member Services Operations Report dated 12/8/17. (10 pages)
12. Memorandum to BOT from Information Systems Chief Regarding November-December 2017 Information Systems (IS) Operations Report dated 12/8/17. (11 pages)
13. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding November-December 2017 EUTF Benefits Audit Specialist Report dated 12/8/17. (2 pages)
14. Memorandum to Administrator from EUTF Program Specialist Regarding November-December 2017 EUTF Program Specialist Report dated 12/8/17. (4 pages)
15. Memorandum to BOT from Financial Management Officer Regarding November-December 2017 Financial Services Branch (FSB) Report dated 12/8/17. (2 pages)
16. EUTF Financial Statements as of September 30, 2017 and Experience Accounting of Self Funded Plans for September 2017 dated 12/13/17. (9 pages)

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17. CVS Caremark Monthly Carrier Report for November 2017 dated 12/10/17. (16 pages)
18. SilverScript Monthly Carrier Report for November 2017 dated 12/8/17. (4 pages)
19. HDS Monthly Carrier Report for November 2017 dated 12/8/17. (3 pages)
20. HMSA Monthly Carrier Report for November 2017 dated 12/14/17. (2 pages)
21. Kaiser Monthly Carrier Report for November 2017 dated 12/8/17. (2 pages)
22. Royal State Insurance Monthly Carrier Reports for November 2017 (Chiropractic and Supplemental Medical Plans) dated 12/8/17. (4 pages)
23. UnitedHealthcare Monthly Carrier Report for November 2017 dated 12/1/17. (1 page)
24. US Able Life Monthly Carrier Report for November 2017 dated 12/10/17. (2 pages)
25. VSP Monthly Carrier Report for November 2017 dated 12/8/17. (8 pages)