

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
Tuesday, September 26, 2018

TRUSTEES PRESENT

Ms. Linda Currivan Musto, Chairperson
Ms. Laurel Johnston

Mr. Roderick Becker (arrived 9:04 a.m.)

TRUSTEES ABSENT:

Mr. Damien Elefante
Mr. Christian Fern

Mr. Clifford Uwaine

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Ms. Maria Quartero
Ms. Amy Cheung

Mr. Tom Morrison, Benefits Consultant
Ms. Linda Green
Ms. Bonny Kahalewai
Ms. Lara Nitta

OTHERS PRESENT

Ms. Dina Aun, CVS Health
Ms. Stacia Baek, HMSA
Ms. Sandra Benevides, CVS Health
Ms. Richelle Cardwell, HMSA
Ms. Elaine Fujiwara, HDS
Mr. Adam Gorvine, USABLE
Mr. Galen Haneda, HMSA
Ms. Vanelle Hirayasu

Ms. Monica Kim, VSP
Ms. Jerolyn Hee
Mr. Brandon Kumabe, HMSA
Mr. Christopher Letoto, HMSA
Mr. Kurt Neuenfeld, CVS Health (via conf. call)
Ms. Emily Oshima Lee, HMSA
Mr. Troy Tomita, Kaiser
Mr. Isaac Yuen, HMSA

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 9:01 a.m. by Trustee Linda Currivan Musto, who acted as Chairperson, in the EUTF Board Room, City Financial Tower, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Wednesday, September 26, 2018.

II. SELECTION OF A CHAIRPERSON AND VICE CHAIRPERSON

Mr. Derek Mizuno explained that with the retirement of Dr. Virginia Pressler, this Committee does not have a chairperson and vice-chairperson. The Committee may select committee members for these positions.

MOTION was made and seconded to appoint Trustee Linda Currivan Musto as Chair of the Benefits Committee. (Johnston/Currivan Musto) [Trustee Becker entered the meeting at 9:04 a.m.] The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

MOTION was made and seconded to appoint Trustee Laurel Johnston as Vice Chair of the

Benefits Committee. (Becker/ Curriuan Musto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

III. MINUTES – May 29, 2018

The Benefits Committee reviewed the draft minutes of May 29, 2018.

MOTION was made and seconded to approve the minutes of May 29, 2018 as circulated. (Becker/Johnston) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

IV. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:07 a.m. (Becker/Johnston) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

The regular meeting reconvened from Executive Session at 10:58 a.m.

The Chairperson reported that the Executive Session minutes of May 29, 2018 were approved in Executive Session.

V. NEW BUSINESS

A. CVS Formulary Options

Ms. Sandra Benevides and Mr. Kurt Neuenfeld (via conference call) presented the 2019 Standard Control Formulary. The Committee, EUTF staff, CVS and Segal discussed the following:

1. The reason to move from the current open formulary to the CVS Standard Control Formulary with Prior Authorization is cost and primarily rebates.
2. Estimated annual savings would have been approximately \$4.8 million for the EUTF active employees and \$1.2 million for the EUTF non-Medicare retirees for the plan years beginning in 2017 as estimated by CVS. Projected savings for 2019 will not be available until October 1, 2018.
3. In the past the Board has been hesitant to change formularies because of the disruption it would cause and since the preferred and removed drugs can change and flip flop from year to year.

The Committee instructed CVS, Segal and EUTF staff to project savings for 2019, provide more information on disruption, estimate the impact of disruption and develop ways to mitigate disruption for the October 29, 2018 Committee meeting.

B. Prescription Drug Plan Losses Due to Act 226, Session Laws of Hawaii 2013

Ms. Benevides and Mr. Neuenfeld (via conference call) presented the estimated impact of Act 226, Sessions Laws of Hawaii 2013 that prohibited 1) mandatory mail and maintenance choice, 2) incentives to use mandatory mail and maintenance choice and 3) exclusive networks (e.g. limiting specialty to CVS). Although a portion of the losses were recaptured with the implementation of the Retail 90 network effective July 1, 2016,

CVS estimated annual losses due to Act 226 to be up to \$4.7 million. CVS and EUTF staff continue to work on solutions to address these losses.

VI. FUTURE AGENDA ITEMS DISCUSSION AND NEXT MEETING DATE

The next meeting is scheduled for Monday, October 29, 2018.

VII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn meeting at 11:51 a.m. (Johnston/Becker) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

Respectfully submitted,

/s/

Linda Currivan Musto, Chairperson

APPROVED on October 29, 2018.

DOCUMENTS DISTRIBUTED:

1. Draft Benefits Committee Minutes of 5/29/18. (4 pages)
2. EUTF Actives, 7/2017-6/2018, Quarterly Prescription Benefit Review, Redacted Version by CVS Health. (25 pages)
3. EUTF Non-Medicare Retirees, 1/2018-6/2018, Quarterly Prescription Benefit Review, Redacted Version by CVS Health. (7 pages)
4. EUTF-EGWP Retirees, 1/2014-6/2018, Quarterly Report, Redacted Version by CVS Health. (10 pages)
5. 2019 Standard Control Formulary, Redacted Version by CVS Health dated 9/26/18. (14 pages)
6. Act 226 Program Financials by CVS Health dated 9/26/18. (14 pages)