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/ Curivan 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/Employees-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)