

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, October 30, 2018

TRUSTEES PRESENT

Mr. Roderick Becker, Chairperson	Ms. Laurel Johnston (arrived 9:08 am & excused 12:52 p.m.)
Ms. Audrey Hidano, Vice Chairperson	Mr. Gordon Murakami (excused 11:38 a.m.)
Mr. Christian Fern, Secretary-Treasurer	Mr. Clifford Uwaine (arrived 9:34 am)
Ms. Linda Currivan Musto	Mr. Ryker Wada
Mr. Damien Elefante	

TRUSTEES ABSENT

Ms. Celeste Nip

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

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

OTHERS PRESENT

Ms. Marissa Adachi, HMSA	Mr. Christopher Letoto, HMSA
Mr. Garet Azama, HMSA	Ms. Bev Luney, USABLE
Ms. Stacia Baek, HMSA	Ms. Denise Mercil, Securian
Ms. Sandra Benevides, CVS Health	Dr. Chris Miura, Kaiser
Mr. Su Chai, Kaiser	Mr. Kurt Neuenfeld, CVS Health
Mr. Tom England, Kaiser	Mr. Robert Nishimoto, Senate WAM
Ms. Elaine Fujiwara, HDS	Mr. Dave Shiroma, Kaiser
Mr. Galen Haneda, HMSA	Ms. Sarah Smith, CVS Health
Ms. Vanelle Hirayasu, HMA	Mr. Vaughn Tokashiki, HSTA-R
Ms. Monica Kim, VSP	Mr. Troy Tomita, Kaiser
Ms. Angela Kohls, Kaiser	Ms. Scott Yamaguchi, Kaiser
Mr. Brandon Kumabe, HMSA	

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, Suite 1700, Honolulu, Hawaii, on Tuesday, October 30, 2018.

MOTION was made and seconded to amend the agenda to correct the date of the Minutes under II. and III.A from September 26, 2018 to September 25, 2018. (Currivan Musto/Elefante) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

II. MINUTES – September 25, 2018

The Board reviewed the draft minutes of September 25, 2018.

MOTION was made and seconded to approve the minutes of September 25, 2018 as

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

October 30, 2018 Minutes

Page 2

circulated. (Currivan Musto/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

III. EXECUTIVE SESSION

MOTION was made and seconded for the Board to move into Executive Session at 9:04 a.m. (Wada/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

The regular meeting reconvened from Executive Session at 11:43 a.m.

Chairperson Becker reported that the Board approved the following in Executive Session:

1. The Executive Session minutes of August 28, 2018.
2. Extension of the benefits consultant contract.

IV. NEW BUSINESS

A. EUTF Fiduciary Liability Insurance

Mr. Chad Karasaki, Aon Risk Services, presented a recommendation to renew the EUTF fiduciary liability insurance policy with RLI for the period December 15, 2018 – December 15, 2019 under the same terms and a slightly lower annual premium of \$59,521 versus \$62,018 for the current policy year.

MOTION was made and seconded to bind fiduciary liability insurance coverage with RLI as presented by Aon Risk Services for the period December 15, 2018 to December 15, 2019. (Hidano/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

B. Draft EUTF Annual Report to the Legislature

Mr. Derek Mizuno presented the draft EUTF annual report to the Legislature. The report format is the same as previous years.

MOTION was made and seconded to approve the draft EUTF Annual Report to the Legislature as presented. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

V. BENEFITS COMMITTEE REPORTS

A. September 26, 2018 Meeting

1. CVS Formulary Options
2. Prescription Drug Plan Losses Due to Act 226, Sessions Laws of Hawaii 2013
Mr. Mizuno summarized the Committee report to the Board dated September 27, 2018.

B. October 29, 2018 Meeting

1. Kaiser Medical and Prescription Drug Proposed Plan Changes

Mr. Mizuno summarized the Kaiser proposed additions of the facility-based and digital-based Diabetes Prevention Programs for the EUTF and HSTA VB active employee and non-Medicare retiree Kaiser plans and the EUTF staff and Segal recommendation.

MOTION was made and seconded to approve the Benefits Committee recommendation to add the facility-based and digital-based Diabetes Prevention Programs to the EUTF and HSTA VB active employee and non-Medicare retiree Kaiser plans as a pilot project for the period July 1, 2019 – June 30, 2020. (Johnston/Currivan Musto) The motion passed. (Employer Trustees-3 YES – Becker, Elefante, Johnston, 2 ABSTAIN-Hidano, Wada /Employee-Beneficiary Trustees-3 YES-Currivan Musto, Fern, Uwayne;;

2. HMSA Medical Proposed Plan Changes

Mr. Mizuno summarized the proposed changes, prior to each motion, for the EUTF and HSTA VB active employee plans effective July 1, 2019 and the EUTF staff and Segal recommendations.

Advance Care Planning

MOTION was made and seconded to approve the Benefits Committee recommendation to cover advance care planning for the EUTF active employee HMSA plans at 100% in-network and at the standard coinsurance levels out-of-network and add advance care planning to the HSTA VB active employee HMSA plans at 100% in-network and at the standard coinsurance levels out-of-network effective July 1, 2019. (Wada/Elefante) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

Genetic Counseling

MOTION was made and seconded to approve the Benefits Committee recommendation to cover genetic counseling for the EUTF and HSTA VB active employee HMSA plans at the standard coinsurance levels in-network and out-of-network effective July 1, 2019. The motion passed unanimously. (Currivan Musto/Wada) (Employer Trustees-5/Employee-Beneficiary Trustees-3)

Annual Preventative Health Exam

MOTION was made and seconded to approve the Benefits Committee recommendation to replace the annual physical exam benefit with the annual preventative health exam benefit for the EUTF active employee HMSA plans at the same coinsurance levels effective July 1, 2019. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

Chlamydia and Gonorrhea Screenings for Men

MOTION was made and seconded to approve the Benefits Committee recommendation to add chlamydia and gonorrhea screenings for men to the EUTF and HSTA VB active employee HMSA plans at 100% in-network and at the same coinsurance levels out-of-network as provided for women effective July 1, 2019. (Johnston/Wada) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

75/25 Deductible

No motion was made.

Diabetes Prevention Program

MOTION was made and seconded to approve the Benefits Committee recommendation to add the Diabetes Prevention Program to the HSTA VB active employee HMSA plans effective July 1, 2019. (Currivan Musto/Johnston) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

3. Self-Funded Prescription Drug (CVS) Proposed Plan Changes

Two-Trial Step Therapy

The Board, EUTF staff, Segal and CVS discussed the reasons for the Benefits Committee recommendation to grandfather the ACE/ARB (treatment of high blood pressure) and Cox 2 inhibitors (treatment of pain) due to the greater potential for negative health impact to the members.

MOTION was made and seconded to approve the Benefits Committee recommendation to add two trials as part of the generic step therapy program to the proton pump inhibitors (treatment of acid reflux) and urinary antispasmodics (treatment of urinary incontinence) drug classes without grandfathering and the ACE/ARB (treatment of high blood pressure) and Cox 2 inhibitors (treatment of pain) drug classes with grandfathering to the EUTF active employee CVS prescription drug plans effective July 1, 2019. The motion passed unanimously. (Currivan Musto/Wada) (Employer Trustees-5/Employee-Beneficiary Trustees-3)

75/25 MOOP Change

Mr. Mizuno explained that the Benefits Committee is recommending this change, which is done periodically, to increase the annual maximum out-of-pocket (MOOP) of the drug plan bundled with the HMSA 75/25 plan up toward the MOOP for the drug plan bundled with the HMSA HMO, 90/10 and 80/20 plans, subject to federal limits.

MOTION was made and seconded to approve the Benefits Committee recommendation to increase the maximum out-of-pocket costs to \$2,900 self/\$5,800 family for the EUTF active employee CVS prescription drug plan bundled with the HMSA 75/25 plan effective July 1, 2019. (Fern/Elefante) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

Specialty Coinsurance Tiers

Mr. Mizuno summarized the Benefits Committee recommendation to tier the specialty coinsurance to address the 22% specialty trend as specialty member share is based on coinsurance (20%), but a significant number of members reach the maximum amount per prescription (\$250) and/or the specialty MOOP (\$2,000), resulting in decreases in the member cost share over time.

MOTION was made and seconded to approve the Benefits Committee recommendation to adopt specialty tier Proposal 2 (generics 10% and \$200 per prescription maximum; preferred brands 20% and \$300 per prescription maximum; and non-preferred brands 30% and \$400 per prescription maximum, all with a \$2,500 MOOP) for all EUTF active employee CVS prescription drug plans effective July 1, 2019. (Johnston/Fern) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

Enhanced Specialty Guideline Management – Soliris

The Board, EUTF staff, Segal and CVS discussed the medical condition that Soliris is treating, grandfathering options, the appeals process, and the alternative therapies that must be tried before Soliris will be covered.

MOTION was made and seconded to add Soliris to the enhanced specialty guideline management program for EUTF active employee and non-Medicare retiree CVS prescription drug plans effective April 1, 2019 with lifetime grandfathering for the current member taking Soliris as long as the member is enrolled. (Curriwan Musto/Uwaine) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

Medication Assisted Treatment Drugs

Mr. Mizuno explained the Benefits Committee's desire to remove any cost barriers (i.e. generic copayments) for members to use transition drugs to treat their opioid addictions.

MOTION was made and seconded to approve the Benefits Committee recommendation to cover medication assisted treatment drugs at a \$0 copayment for EUTF and HSTA VB active employee, non-Medicare retiree and Medicare retiree CVS/SSI prescription drug plans effective February 1, 2019. (Johnston/Elfante) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

Multi-Ingredient Compounds

Mr. Mizuno explained how these multi-ingredient claims with specialty drugs should have been processing at the specialty coinsurance tier however because of the limitations on the CVS system, they were processed at the non-specialty tiers. This will be corrected November 17, 2018. The Benefits Committee is recommending that the three members with the current lower non-specialty copayments be grandfathered as long as the dosage remains the same and they are continually enrolled.

MOTION was made and seconded to approve the Benefits Committee recommendation to grandfather non-specialty copayments for those members using multi-ingredient compounds with specialty drugs subject to no changes in the dosage and continual enrollment effective November 17, 2018. The motion passed unanimously. (Elefante/Fern) (Employer Trustees-5/Employee-Beneficiary Trustees-3)

Standard Control Formulary with Prior Authorization

The Board, EUTF staff, Segal and CVS discussed the drugs that will no longer be covered without a prior authorization, the number of disrupted members, the potential negative health impact of disruption, the total cost savings from rebates, that there are no grandfathering options, the appeals process, and how the removed drugs can change from year to year.

Trustee Johnston was excused from the meeting at 12:52 p.m.

MOTION was made and seconded to replace the current formulary with the Standard Control Formulary With Prior Authorization for the EUTF active employees and non-Medicare retiree CVS prescription drug plans effective July 1, 2019.

(Hidano/Elefante) The motion failed. (Employer Trustees 4 YES– Becker, Elefante, Hidano, Wada/ Employee-Beneficiary Trustees -1 YES-Currivan Musto/2 NO – Fern, Uwaine)

4. HDS Dental Proposed Plan Changes

Full Mouth X-Rays

Mr. Mizuno reported that the Benefits Committee did not pass a motion related to the full mouth x-rays proposed change in the limitation from once every five years per dentist/dental office to once every five years per member. This issue arose from the CTI claims audit of HDS as they normally see once every five years per member. HDS and EUTF staff do not recommend this change while Segal recommends the change.

Total Health Plus

The Benefits Committee is recommending adding additional cleanings and/or fluoride treatments for members with high risk medical conditions.

MOTION was made and seconded to approve the Benefits Committee recommendation to add Total Health Plus dental benefits to the EUTF and HSTA VB active employee HDS dental plans effective July 1, 2019. (Elefante/Currivan Musto) 2nd. The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

5. VSP Vision Proposed Plan Changes

Mr. Mizuno reported that the Benefits Committee is recommending coverage of standard progressive lenses at 100%.

MOTION was made and seconded to approve the Benefits Committee recommendation to cover standard progressive lenses at 100% for the EUTF and HSTA VB active employee VSP vision plans effective July 1, 2019. (Elefante/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

VI. REPORTS

A. Segal

B. Administrator

1. Meetings with legislators and unions
2. Public engagement
3. HIPAA training

Mr. Mizuno informed the Board that the HIPAA training will be conducted at the end of the November 27, 2018 Board meeting.

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 Staffing Update
 - c. Carrier Reports
2. Information Systems (IS)
 - a. Retiree Open Enrollment 2019
 - b. V3 Benefits Administration System (V3 BAS) Modified Phase II (Employer File Feed)
 - c. Vitech Rebill Issue
 - d. BAS Feasibility Study
 - e. Death Validation Import
 - f. HIC to MBI Number Conversion
 - g. Medicare Part B Reimbursement Amounts for 2017 and 2018
 - h. New Base Monthly Contribution (BMC) for Retirees Hired On or After July 1, 2001
 - i. Enrollment Counts
3. EUTF Benefits Audit Specialist Report
 - a. Additional Audits to be Initiated by 12/31/18
 - b. HDS Point in Time Reconciliation
 - c. Completed and Recurring Audits
4. EUTF Program Specialist Report
 - a. Worksite wellness
 - b. Preventive health
 - c. Chronic disease management
5. Financial Services Branch (FSB)
 - a. FSB Performance Data
 - b. Management Letter Corrective Action Plan Status
 - c. EUTF Collections
 - d. 2018 Financial Audit
 - e. Financial Statements as of July 31, 2018

D. Carrier Reports

The carrier reports were in the Board packet.

1. CVS Caremark

Ms. Sarah Smith, CVS, provided comments on recent federal matters relating to pharmaceutical manufacturers and their lobbying and advertising efforts, and gag clauses.

2. SilverScript

3. Hawaii Dental Service (HDS)

Trustee Linda Currivan Musto commended HDS for their participation Parents & Children Together (PACT) Hoolaulea community event.

4. Hawaii Mainland Administrators (HMA)

5. Hawaii Medical Service Association (HMSA)

Trustee Currivan Musto commended HMSA on the numerous fairs and community events that they have participated in.

6. Kaiser Health Foundation

Trustee Currivan Musto commended Kaiser on their five star ratings from the National Committee for Quality Assurance (NCQA).

7. US Able Life

8. Vision Service Plan (VSP)

Mr. Mizuno introduced Ms. Denise Mercil from Securian.

VII. EXECUTIVE SESSION – HIPAA TRAINING

This item was deferred

VIII. NEXT MEETING DATE

Tuesday, November 27, 2018, 9:00 a.m. – Administrative and Investment Committee Reports and fully insured active employee premiums effective July 1, 2019.

IX. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 1:10 p.m. (Uwaine/Elefante) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Respectfully submitted,

/s/

Christian Fern, Secretary-Treasurer

APPROVED on November 27, 2018.

Documents Distributed:

1. Draft Board Minutes of 9/25/18. (6 pages)
2. Draft EUTF Annual Report For the Period 7/1/17-6/30/18. (6 pages)
3. Memorandum to BOT from Benefits Committee Regarding 9/26/18 Benefits Committee Meeting dated 9/27/18. (1 page)
4. Memorandum to BOT from Benefits Committee Regarding 10/29/18 Benefits Committee Meeting dated 10/29/18. (4 pages)
5. Administrator's Monthly Report to the Board from 9/15-10/19/18 dated 10/19/18. (1 page)
6. Memorandum to BOT from Member Services Branch Manager Regarding September-October 2018 Member Services Operations Report dated 10/19/18. (11 pages)
7. Memorandum to BOT from Information Systems Chief Regarding September-October 2018 Information Systems (IS) Operations Report dated 10/19/18. (12 pages)
8. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding September-October 2018 EUTF Benefits Audit Specialist Report dated 10/19/18. (2 pages)
9. Memorandum to Administrator from EUTF Program Specialist Regarding September-October 2018 EUTF Program Specialist Report dated 10/19/18. (15 pages)
10. Memorandum to BOT from Financial Management Officer Regarding September-October 2018 Financial Services Branch (FSB) Report dated 10/19/18. (16 pages)
11. CVS Caremark Monthly Carrier Report for September 2018 dated 10/8/18. (14 pages)
12. SilverScript Monthly Carrier Report for September 2018 dated 10/8/18. (4 pages)
13. HDS Monthly Carrier Report for September 2018 dated 10/10/18. (2 pages)
14. HMA Monthly Carrier Report for September 2018 dated 10/1/18. 2 pages)
15. HMSA Monthly Carrier Report for September 2018 dated 10/15/18. (3 pages)
16. Kaiser Monthly Carrier Report for September 2018 dated 10/10/18. (2 pages)
17. US Able Life Monthly Carrier Report for September 2018 dated 10/5/18. (2 pages)
19. VSP Monthly Carrier Report for September 2018 dated 10/8/18. (2 pages)