

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, September 25, 2018

TRUSTEES PRESENT

Mr. Roderick Becker, Chairperson
Ms. Audrey Hidano, Vice Chairperson
Mr. Christian Fern, Secretary-Treasurer
Ms. Linda Currvivan Musto

Ms. Laurel Johnston (arrived 9:04 a.m.)
Mr. Gordon Murakami
Ms. Celeste Nip
Mr. Ryker Wada

TRUSTEES ABSENT

Mr. Damien Elefante

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
Ms. Linda Green

Mr. Thomas Morrison, Benefits Consultant
Ms. Bonny Kahalewai
Mr. Raymond Kan
Ms. Lara Nitta

OTHERS PRESENT

Mr. Gareth Azama, HMSA
Ms. Stacia Baek, HMSA
Ms. Sandra Benevides, CVS Health
Ms. Evelyn Chock, HMSA
Ms. Stacy Dustin, PCG
Ms. Elaine Fujiwara, HDS
Mr. Adam Gorvine, USABLE
Mr. Galen Haneda, HMSA
Mr. Ryan Hirasuna, HMSA
Ms. Vanelle Hirayasu, HMA

Ms. Monica Kim
Ms. Mae Kishimoto, HSTA-R
Mr. Brandon Kumabe, HMSA
Mr. Christopher Letoto, HMSA
Mr. Reid Moriyama, DB&F
Mr. Kyle Niiro, HMSA
Ms. Joleen Sato, HMSA
Ms. Laurie Thornton, PCG
Mr. Troy Tomita, Kaiser
Ms. Scott Yamaguchi, Kaiser

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:02 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, September 25, 2018.

II. MINUTES – August 28, 2018

The Board reviewed the draft minutes of August 28, 2018.

Mr. Derek Mizuno informed the Board that Kaiser and VSP had made their performance guarantee payments and Kaiser had made their payment related to the recently completed claims audit.

Trustee Laurel Johnston entered the meeting at 9:04 a.m.

MOTION was made and seconded to approve the minutes of August 28, 2018 as circulated. (Hidano/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

III. EXECUTIVE SESSION

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

The regular meeting reconvened from Executive Session at 9:39 a.m.

MOTION was made and seconded for the Board to move into Executive Session at 9:40 a.m. (Currivan Musto/Hidano) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

The regular meeting reconvened from Executive Session at 9:44 a.m.

Chairperson Becker reported that the Board approved the Executive Session minutes of August 28, 2018 in Executive Session.

IV. OLD BUSINESS

A. Unrestricted, Unreserved Net Assets and Administrative Fee Waiver

Mr. Mizuno summarized the memo dated September 19, 2018 and the EUTF staff recommendations.

MOTION was made and seconded for the Board to approve transfer of cash/short-term investments and net assets from the agency fund to the enterprise fund for the agency fund's share of the waived EUTF administrative fee and costs of the new benefits administration system after the end of each fiscal year through June 30, 2024 once these amounts exceed the earlier transfers from the agency fund to the enterprise fund and the EUTF administrative fee surplus at June 30, 2014. (Fern/Hidano) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

MOTION was made and seconded for the Board to approve an extension of the EUTF administrative fee waiver for an additional five year period – retirees (1/1/24 – 12/31/28) and active employees (7/1/24 – 6/30/29) – and after the end of each fiscal year through June 30, 2029, transfer cash/short-term investments and net assets from the agency fund to the enterprise fund for the agency fund's share of the waived EUTF administrative fee. (Fern/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

B. Medical and Prescription Drug Benefit Plan Design Changes

1. HMSA Medical Plan

- a. Heart Disease Program for Retirees and Active Employees – EUTF and HSTA
VB

Mr. Mizuno summarized the memo dated September 19, 2018 and the EUTF staff recommendation to extend the HMSA heart disease program for the EUTF members and to add the benefit for the HSTA VB members.

MOTION was made and seconded for the Board to extend and add the HMSA heart disease program as pilot programs for EUTF actives through June 30, 2021, EUTF retirees through December 31, 2020, HSTA VB actives 7/1/19-6/30/21 and HSTA VB retirees 1/1/19-12/31/20, subject to pricing provided during executive session. (Currivan Musto/Murakami) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

- b. Supportive Care for Retirees and Active Employees – EUTF and HSTA VB
Mr. Mizuno summarized the memo dated September 19, 2018 and the EUTF staff recommendation to extend the HMSA supportive care program for the EUTF retirees and to add the benefit for the HSTA VB members.

MOTION was made and seconded for the Board to extend and add the HMSA supportive care program for EUTF retirees through December 31, 2020 (pilot program), HSTA VB actives from July 1, 2019 and HSTA VB retirees 1/1/19-12/31/20 (pilot program). (Wada/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

2. SilverScript Medicare Prescription Drug Plan Coverage of Medicare Part D Vaccinations at 100% – EUTF and HSTA VB

Mr. Mizuno summarized the Medicare Part D vaccination issue and the EUTF staff recommendation to cover the Medicare Part D vaccinations 100% on the EGWP for EUTF and HSTA VB retirees and to transfer \$14.6 million from the agency fund to the OPEB Trust.

MOTION was made and seconded for the Board to (1) cover Medicare Part D vaccinations at 100% under the EUTF and HSTA VB SilverScript EGWP effective November 1, 2018; and (2) transfer \$14.6 million of unrestricted, unreserved agency fund net assets to the OPEB Trust as soon as possible and to credit the employers based on their July 1, 2017 actuarial accrued liability which is consistent with past practice. (Nip/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

V. ADMINISTRATIVE COMMITTEE REPORT

A. Benefits Administration System Feasibility Study Results

Ms. Laurie Thornton and Ms. Stacy Dustin, Public Consulting Group (PCG), presented their Health Benefits Administration System Feasibility Study report. They also noted that the presentation had been revised based on comments from the State Enterprise Technology Services (ETS) Chief Information Officer, Todd Nacapuy, including utilization of ETS project management services instead of a third party, beginning the independent verification and validation services contract earlier, and adding organization change management and business processing reengineering service procurement.

B. EUTF Proposed Budget Request for Fiscal Biennium 2019-2021

Ms. Donna Tonaki presented the EUTF budget request for fiscal biennium 2019-2021. When EUTF staff originally drafted the budget, it included three additional positions – Member Services Clerk, Account Clerk and Program Specialist. After further review, EUTF determined implementation of a new benefits administration system would automate manual processes and add member self-service, resulting in reduced EUTF staff workloads. As a result, the proposed budget focuses on 1) a new benefits administration system and 2) a compliance officer that would improve system security and HIPAA compliance. In addition, the budget recommended by the Administrative Committee was revised to account for ETS project management services instead of a third party, beginning the independent verification and validation services contract earlier, and adding organization change management and business processing reengineering service procurement.

MOTION was made and seconded for the Board to approve the proposed EUTF budget for the fiscal biennium 2019-2021. (Murakami/Wada) The motion passed. (Employer Trustees-3 YES-Becker, Hidano, Wada, 1 ABSTAIN-Johnston/Employee-Beneficiary Trustees-4 YES-Currivan Musto, Fern, Murakami, Nip)

VI. REPORTS

A. Segal

1. 2019 Trend Survey

Mr. Tom Morrison highlighted the significant items in the Segal 2019 Trend Survey.

B. Administrator

1. Meetings with legislators and unions

2. Public engagement

3. HIPAA training

Mr. Mizuno informed the Board that the EUTF staff will be completing HIPAA training by September 28, 2018 and that the Board must also complete HIPAA training. The Board decided to have the training at the end of either the October or November Board meetings.

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. Health Benefits Workshops & New Hire Orientation Sessions

d. 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

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

September 25, 2018 Minutes

Page 5

- d. BAS Feasibility Study
- e. Death Validation Import
- f. HIC to MBI Number Conversion
- g. HIPAA Risk Assessment
- h. Enrollment Counts

Ms. Mae Kishimoto, HSTA-R, asked the status of the mass rebill fix.

Mr. Raymond Kan explained the reasons for the mass rebill fix and the current status.

- 3. EUTF Benefits Audit Specialist Report
 - a. Additional Audits to be Initiated by 12/31/18
 - b. Completed and Recurring Audits
- 4. EUTF Program Specialist Report
 - a. Worksite wellness
 - b. Preventive health
 - c. Chronic disease management
 - d. Advanced care planning (ACP) benefit
- 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 June 30, 2018

D. Carrier Reports

The carrier reports were in the Board packet.

- 1. CVS Caremark
- 2. SilverScript
- 3. Hawaii Dental Service (HDS)
- 4. Hawaii Mainland Administrators (HMA)

- 5. Hawaii Medical Service Association (HMSA)
Trustee Linda 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 \$80,000 award to the Hawaii Pacific Health Institute and their downtown lunchtime walk.

- 7. USABLE Life
- 8. Vision Service Plan (VSP)

VII. NEXT MEETING DATE

Tuesday, October 30, 2018, 9:00 a.m. – Benefits Committee Report

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:41 a.m. (Nip/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Christian Fern, Secretary-Treasurer

APPROVED on October 30, 2018.

Documents Distributed:

1. Draft Board Minutes of 8/28/18. (7 pages)
2. Memorandum to BOT from Administrator Regarding Unrestricted, Unreserved Net Assets and Administrative Fee Waiver dated 9/19/18. (2 pages)
3. Memorandum to BOT from Administrator Regarding Medical and Prescription Drug Plan Design Changes dated 9/19/18. (4 pages)
4. Memorandum to BOT from Administrative Committee Regarding 9/24/18 Administrative Committee Meeting dated 9/24/18. (2 pages)
5. Memorandum to BOT from Segal Consulting Regarding Segal 2019 Cost Trend Survey Report dated 9/17/18. (25 pages)
6. Administrator's Monthly Report to the Board from 8/17-9/14/18 dated 9/14/18. (1 page)
7. Memorandum to BOT from Member Services Branch Manager Regarding August-September 2018 Member Services Operations Report dated 9/14/18. (15 pages)
8. Memorandum to BOT from Information Systems Chief Regarding August-September 2018 Information Systems (IS) Operations Report dated 9/14/18. (11 pages)
9. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding August-September 2018 EUTF Benefits Audit Specialist Report dated 9/14/18. (2 pages)
10. Memorandum to Administrator from EUTF Program Specialist Regarding August-September 2018 EUTF Program Specialist Report dated 9/14/18. (2 pages)
11. Memorandum to BOT from Financial Management Officer Regarding August-September 2018 Financial Services Branch (FSB) Report dated 9/14/18. (12 pages)
12. CVS Caremark Monthly Carrier Report for August 2018 dated 9/7/18. (20 pages)
13. SilverScript Monthly Carrier Report for August 2018 dated 9/7/18. (5 pages)
14. HDS Monthly Carrier Report for August 2018 dated 9/10/18. (2 pages)
15. HMA Monthly Carrier Report for August 2018 dated 9/1/18. 2 pages)
16. HMSA Monthly Carrier Report for August 2018 dated 9/14/18. (4 pages)
17. Kaiser Monthly Carrier Report for August 2018 dated 9/10/18. (2 pages)
18. USABLE Life Monthly Carrier Report for August 2018 dated 9/10/18. (2 pages)
19. VSP Monthly Carrier Report for August 2018 dated 9/10/18. (2 pages)