

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, November 27, 2018

TRUSTEES PRESENT

Mr. Roderick Becker, Chairperson

Ms. Audrey Hidano, Vice Chairperson

Mr. Christian Fern, Secretary-Treasurer (excused 12:18 pm)

Ms. Linda Currivan Musto

Mr. Damien Elefante

Ms. Laurel Johnston

Mr. Gordon Murakami

Ms. Celeste Nip

Mr. Clifford Uwaine (arrived 9:12 am)

Mr. Ryker Wada

TRUSTEES ABSENT: None

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. Bonny Kahalewai

Mr. Thomas Morrison, Benefits Consultant

Mr. Raymond Kan

Ms. Emily Kaneakua

Ms. Lara Nitta

Mr. Kuan Yuan

OTHERS PRESENT

Ms. Marissa Adachi, HMSA

Ms. Cheryl Archer, USAble

Ms. Dina Aun, CVS Health

Ms. Stacia Baek, HMSA

Ms. Sandra Benevides, CVS Health

Mr. Maricel Blackwell, HMSA

Mr. Su Chai, Kaiser

Mr. Tom England, Kaiser

Ms. Elaine Fujiwara, HDS

Mr. Galen Haneda, HMSA

Ms. Vanelle Hirayasu, HMA

Ms. Monica Kim, VSP

Ms. Angela Kohls, Kaiser

Mr. Brandon Kumabe, HMSA

Mr. Christopher Letoto, HMSA

Ms. Denise Mercil, Securian

Dr. Chris Miura, Kaiser

Mr. Vaughn Tokashiki, HSTA-R

Mr. Troy Tomita, Kaiser

Ms. Jennifer Woo, CCH-DHR

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, November 27, 2018.

II. MINUTES – October 30, 2018

The Board reviewed the draft minutes of October 30, 2018. Mr. Derek Mizuno highlighted the items that EUTF staff revised in the draft provided yesterday and that is being circulated.

MOTION was made and seconded to approve the minutes of October 30, 2018 as circulated. (Elefante/Wada) 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 9:05 a.m. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

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. Approved the Executive Session minutes of October 30, 2018.
2. Approved Appeal #1 for late domestic partner enrollment.
3. Approved Appeal #2 for reinstatement of coverage terminated due to non-payment.
4. Partially approved Appeal #3 for late termination of an ex-spouse due to divorce.
5. Approved Appeal #4 for late termination of an ex-spouse due to divorce.
6. No action was taken on a settlement proposal related to an ineligible surviving spouse.
7. Approved RFP 19-001 Consulting Services to Assist in the Development of a Request for Proposals for a Health Benefits Administration System.
8. Approved active employee premiums effective July 1, 2019 for Kaiser, HDS, VSP and Securian plans.
9. Approved an investment in a private credit fund subject to contract negotiation.
10. Approved an investment in a private equity fund subject to contract negotiation.
11. Approved an investment in a private real estate fund subject to contract negotiation.

IV. NEW BUSINESS

A. Committee Assignments

Trustees Gordon Murakami and Audrey Hidano volunteered to serve on the Benefits Committee.

B. 2019 Medicare Part B Premium and Retiree Base Monthly Contribution

Mr. Mizuno summarized the memorandum dated November 20, 2018 noting that effective January 1, 2019, approximately 28,000 Medicare retirees and spouses whose current Medicare Part B premium reimbursement is \$119 per month or greater will be moved to the 2019 standard Medicare Part B premium reimbursement amount of \$135.50 per month. Those 24,000 Medicare retirees and spouses with current reimbursements less than \$119 per month will remain at their current reimbursement levels. Consistent with previous years, those with Medicare Part B premiums greater than the standard amount (i.e. \$135.50 for 2019) must submit supporting documentation to the EUTF to receive the greater amount.

Mr. Vaughn Tokashiki, HSTA-R, confirmed with Mr. Mizuno that those with 2018 Medicare Part B premium reimbursements of \$119 per month or greater will automatically be moved to the \$135.50 standard amount effective January 1, 2019. They do not have to provide supporting documentation unless their Medicare Part B premium is greater than \$135.50.

V. COMMITTEE REPORTS

A. Investment Committee

1. Private Credit Implementation Plan

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2. September 30, 2018 Strategic Performance Report Including Excess Funds
3. Quarterly Real Estate Report – Q2 2018
4. Quarterly Private Equity Report – Q2 2018
5. Investment Update

Mr. Kuan Yuan summarized the memorandum dated November 16, 2018 noting the private credit implementation plan, the quarterly performance reports and updates on previously approved investments.

B. Administrative Committee

1. Report to Legislature – Progress on Conversion of Exempt Employees to Civil Service

Mr. Mizuno summarized the Administrative Committee's recommendation to approve the draft Report to the 2019 Legislature, Act 145, Session Laws of Hawaii 2017, Relating to Staff of the Hawaii Employer-Union Health Benefits Trust Fund.

MOTION was made and seconded to approve the Administrative Committee's recommendation to approve the draft Report to the 2019 Legislature, Act 145, Session Laws of Hawaii 2017, Relating to Staff of the Hawaii Employer-Union Health Benefits Trust Fund. (Hidano/Wada) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

2. Progress on Strategic Plan 1/1/18 – 6/30/21

Mr. Mizuno explained the format of the semi-annual progress reports on the Strategic Plan, using the period ending June 30, 2018 as an example.

VI. REPORTS

A. Segal

1. Plan Performance Report through September 30, 2018
2. Performance Guarantee Report through September 30, 2018
3. Fourth Quarter Segal Trend Report

4. Public Sector Benefits Compliance News Update

Mr. Tom Morrison, Segal Company, summarized the aforementioned items for the Board. Mr. Morrison and Trustee Hidano inquired and discussion was held as to when HMSA, Kaiser, and CVS will submit their penalty payments.

B. Administrator

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

C. EUTF Managers', Program Specialist and Benefits Audit Specialist Reports

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. MSB Staffing Update
 - c. Carrier Reports
 - d. Retiree Open Enrollment
2. Information Systems (IS)
 - a. Retiree Open Enrollment 2019

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- b. V3 Benefits Administration System (V3 BAS) Modified Phase II (Employer File Feed)
 - c. BAS Feasibility Study
 - d. Death Validation Import
 - e. HIC to MBI Number Conversion
 - f. HIPAA Risk Assessment
 - 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. Audits Currently in Progress
 - b. Additional Audits to be Initiated by 12/31/18
 - 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 August 31, 2018
- D. Carrier Reports
 1. CVS Caremark
 2. SilverScript
 3. Hawaii Dental Service (HDS)
Trustee Linda Currivan Musto commended HDS on their community outreach on Maui and at Kuhio Park Terrace.
 4. Hawaii Mainland Administrators (HMA)
 5. Hawaii Medical Service Association (HMSA)
Trustee Currivan Musto commended HMSA on their community outreach with the Special Olympics.
 6. Kaiser Health Foundation
Trustee Currivan Musto commended Kaiser on their community outreach with the public schools and their recent 5-star (out of 5) rating by the Centers for Medicare and Medicaid Services as the only such 5-star rating in Hawaii and one out of 14 in the nation.
 7. USABLE Life
 8. Vision Service Plan (VSP)

VII. EXECUTIVE SESSION – HIPAA TRAINING

Trustee Christian Fern was excused from the meeting at 12:18 p.m.

MOTION was made and seconded for the Board to move into Executive Session at 12:18 p.m. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

The regular meeting reconvened from Executive Session at 12:48 p.m.

VIII. NEXT MEETING DATE

Tuesday, December 18, 2018, 9:00 a.m. – HMSA and CVS active employee premiums effective July 1, 2019.

IX. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 12:48 p.m. (Nip/Johnston) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Christian Fern, Secretary-Treasurer

APPROVED on December 18, 2018.

Documents Distributed:

1. Draft Board Minutes of 10/30/18. (9 pages)
2. EUTF Committee Roster dated 7/24/18. (1 page)
3. Memorandum to BOT from Financial Management Officer Regarding 2019 Medicare Part B Premium and Retiree Base Monthly Contribution dated 11/20/18. (3 pages)
4. Memorandum to BOT from Investment Committee Regarding 11/15/18 Investment Committee meeting dated 11/16/18. (1 page)
5. Memorandum to BOT from Administrative Committee Regarding 11/13/18 Administrative Committee Meeting dated 11/14/18. (1 page)
6. Memorandum to BOT from Administrator Regarding Progress on Strategic Plan-1/1/18-6/30/21 (Update as of 6/30/18) dated 11/21/18. (14 pages)
7. EUTF Year to Date Contract Plan Experience Report Contract Year to Date through September 2018 from Segal dated 11/27/18. (41 pages)
8. Segal Consulting Trends, Health Plan News at a Glance for the Public Sector, 4th Quarter 2018. (1 page)
9. Segal Consulting Update, Public Sector Benefits Compliance News dated 11/9/18. (4 pages)
10. Administrator's Monthly Report to the Board from 10/20-11/16/18 dated 11/16/18. (1 page)
11. Memorandum to BOT from Member Services Branch Manager Regarding October-November 2018 Member Services Operations Report dated 11/16/18. (15 pages)
12. Memorandum to BOT from Information Systems Chief Regarding October-November 2018 Information Systems (IS) Operations Report dated 11/16/18. (12 pages)

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13. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding October-November 2018 EUTF Benefits Audit Specialist Report dated 11/16/18. (2 pages)
14. Memorandum to Administrator from EUTF Program Specialist Regarding October-November 2018 EUTF Program Specialist Report dated 11/16/18. (1 page)
15. Memorandum to BOT from Financial Management Officer Regarding October-November 2018 Financial Services Branch (FSB) Report dated 11/16/18. (16 pages)
16. CVS Caremark Monthly Carrier Report for October 2018 dated 11/7/18. (12 pages)
17. SilverScript Monthly Carrier Report for October 2018 dated 11/7/18. (4 pages)
18. HDS Monthly Carrier Report for October 2018 dated 11/7/18. (3 pages)
19. HMA Monthly Carrier Report for October 2018 dated 11/1/18. 2 pages)
20. HMSA Monthly Carrier Report for October 2018 dated 11/15/18. (4 pages)
21. Kaiser Monthly Carrier Report for October 2018 dated 11/9/18. (3 pages)
22. USABLE Life Monthly Carrier Report for October 2018 dated 11/9/18. (2 pages)
23. VSP Monthly Carrier Report for October 2018 dated 11/7/18. (2 pages)