

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, December 18, 2018

TRUSTEES PRESENT

Mr. Roderick Becker, Chairperson	Ms. Laurel Johnston
Ms. Audrey Hidano, Vice Chairperson	Mr. Gordon Murakami
Mr. Christian Fern, Secretary-Treasurer	Ms. Celeste Nip (excused at 9:52 a.m.)
Ms. Linda Currvivan Musto	Mr. Clifford Uwaine
Mr. Damien Elefante	Mr. Ryker Wada (excused at 11:23 a.m.)

TRUSTEES ABSENT: None

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Thomas Morrison, Benefits Consultant
Ms. Donna Tonaki, Assistant Administrator	Ms. Bonny Kahalewai
Ms. Maria Quartero	Mr. Raymond Kan
Ms. Amy Cheung	Ms. Emily Kaneakua
Ms. Heather Hall	

OTHERS PRESENT

Ms. Marissa Adachi, HMSA	Mr. Christopher Letoto, HMSA
Ms. Cheryl Archer, USAble	Mr. Chris Magnussen, HMSA
Ms. Dina Aun, CVS Health	Dr. Chris Miura, Kaiser
Mr. Gareth Azama, HMSA	Mr. Wendell Oda, HMSA
Ms. Sandra Benevides, CVS Health	Mr. Glenn Park, HGEA
Ms. Elaine Fujiwara, HDS	Mr. Dave Shiroma, Kaiser
Mr. Galen Haneda, HMSA	Mr. Vaughn Tokashiki, HSTA-R
Ms. Vanelle Hirayasu, HMA	Mr. Troy Tomita, Kaiser
Ms. Monica Kim, VSP	Ms. Jennifer Woo, CCH-DHR
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 9:01 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, December 18, 2018.

II. MINUTES – November 27, 2018

The Board reviewed the draft minutes of November 27, 2018.

MOTION was made and seconded to approve the minutes of November 27, 2018 as circulated. (Murakami/Fern) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

III. EXECUTIVE SESSION

MOTION was made and seconded for the Board to move into Executive Session at 9:05 a.m. (Elefante/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

The regular meeting reconvened from Executive Session at 9:29 a.m.

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

1. Approved the Executive Session minutes of November 27, 2018.
2. Approved active employee premium rates effective July 1, 2019 for the HMSA plans.

IV. OLD BUSINESS

A. Status Report on Pending Items from Claims Technologies, Inc. Claims Audit Report – HMSA plans actives (7/1/13 – 6/30/16 and retirees 1/1/14 – 12/31/15)

Ms. Michelle Suckow, Claims Technologies, Inc. (CTI), participated by conference call and discussed the pending items, excluding the eligibility review and performance guarantees and the appeals performance guarantee, from the claims audit that was presented to the Board in early 2018. For the items that have been resolved, HMSA owes EUTF \$36,336.51. For the one outstanding issue related to duplicate claims payments, HMSA will propose a settlement to the Board at the January 14, 2019 meeting and will perform duplicate claims audits beginning after the audit period, January 1, 2016 for the retirees and July 1, 2016 for the active employees. The Board instructed HMSA and HMSA confirmed that they will pay close attention to identify whether members were overcharged for their coinsurance/copayments.

Trustee Celeste Nip was excused at 9:52 a.m.

Ms. Heather Hall presented the results of the follow up from the claims audit on missed performance guarantees related to appeals and the eligibility review to identify overpayments and missed performance guarantees. Based on HMSA findings and EUTF's verification, HMSA owes \$1,427,418.54 for both items. The Board, EUTF staff and HMSA discussed the following:

- The error rate of claims overpayments was less than 0.1% in claims dollars.
- The procedures that HMSA has added to prevent such overpayments which include a change from manual processing of the EUTF weekly transaction file to automated processing in 2016 should reduce human error.

Trustee Audrey Hidano inquired when payment will be made and

Mr. Christopher Letoto, HMSA, responded that payment will be made before year end.

Ms. Hall informed the Board that there is a one-year gap between the aforementioned claims audit and the next scheduled claims audit of HMSA (January 1, 2017 – December 31, 2017 for retirees and July 1, 2017 – June 30, 2018 for active employees). In lieu of conducting an audit of the gap year, HMSA is proposing a settlement. Chairperson Becker recommended moving into Executive Session to discuss the proposal at 10:04 a.m.

The regular meeting reconvened from Executive Session at 10:18 a.m.

Chairperson Becker reported that the Board approved a settlement offer from HMSA in Executive Session.

V. NEW BUSINESS

A. Self-Funded Prescription Drug and Supplemental Medical and Prescription Drug Rates for Active Employees Effective July 1, 2019

Mr. Morrison presented the self-funded prescription drug rates for active employees effective July 1, 2019 noting that bargaining unit 12 (SHOPO) members no longer have separate rates in accordance with the Board's decision at the December 19, 2017 Board meeting. There was a slight reduction in the overall EUTF rates because of the inclusion of SHOPO. Mr. Morrison noted the increase in the overall EUTF rates to account for the movement into the 75/25 plan.

MOTION was made and seconded to approve the EUTF in which bargaining unit 12 is combined with the other bargaining units other than HSTA VB members and HSTA VB self-funded prescription drug rates for active employees effective July 1, 2019.

(Fern/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Mr. Morrison presented the self-funded supplemental medical and prescription drug plan rates for EUTF active employees effective July 1, 2019 noting a slight increase.

MOTION was made and seconded to approve the EUTF self-funded supplemental medical and prescription drug plan rates for active employees effective July 1, 2019.

(Wada/Hidano) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

B. Board Meeting Schedule for Fiscal Year 2020

Mr. Derek Mizuno presented a draft board meeting schedule for fiscal year 2020. Trustee Clifford Uwaine suggested moving the October board meeting prior to the IFEBP conference (October 20-23, 2019). Mr. Mizuno said that he would look into revising the schedule.

C. Deputy Attorney General Hours Spent on the EUTF

Mr. Derek Mizuno reported that a trustee had requested that this item be added to the board agenda to ensure that the deputy attorney general is able to focus his attention on EUTF matters and not be drawn into non-EUTF matters considering that EUTF is funding 100% of his salary. Mr. Michael Chambrella reported that recently he has been assisting with non-EUTF matters including other board meetings as another deputy attorney general is on leave. Mr. Chambrella expects that these other non-EUTF matters will decrease as the Department adds another deputy attorney general. Additionally, Mr. Mizuno confirmed that in the past other deputy attorney generals have attended EUTF meetings when the assigned deputy attorney general was on leave, most recently this occurred with the December 7, 2018 Administrative Committee meeting.

Mr. Chambrella estimates that over the past few months he is spending at least 95% of his time on EUTF matters.

VI. Administrative Committee Report

A. December 7, 2018 Meeting – Feasibility Study Report for the Upgrade or Replacement of the Health Benefits Administration System

Ms. Donna Tonaki discussed the changes made from the September 25, 2018 Board meeting presentation to the final Feasibility Study Report for the Upgrade or Replacement of the Health Benefits Administration System. The changes relate to the timeline with the main change extending the completion date from May 2021 to August 2021 to avoid completion during the 2021 active employee open enrollment period.

VII. REPORTS

A. Segal

1. Legislative Update

Mr. Morrison provided an update on a new law addressing the opioid crisis and the recent court ruling striking down the Affordable Care Act. The court ruling will likely be heard in U.S. Circuit Court and by the U.S. Supreme Court over the next two years.

B. Administrator

1. Meetings with legislators and unions
2. Public engagement
3. IFEBP conference reports (10/21-10/24/18)
4. PBM appeals process

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
- d. Active Employee Open Enrollment

2. Information Systems (IS)

- a. Retiree Open Enrollment 2019
- 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. Vacancies
- j. Enrollment Counts

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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
Trustee Johnston thanked Linda Green and EUTF staff for coordinating the worksite wellness fair held in the State Office Tower.
 - 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
Trustee Audrey Hidano thanked FSB for working with the EUTF auditors to have the financial statement audit completed by the DAGS deadlines.
 - e. Financial Statements as of September 30, 2018

D. Carrier Reports

The carrier reports were in the Board packet.

1. CVS Caremark
Trustee Currivan Musto acknowledged and commended CVS for assisting Child & Family Services, the Hilo Foundation and the Red Cross Hawaii Chapter.
2. SilverScript
3. Hawaii Dental Service (HDS)
4. Hawaii Mainland Administrators (HMA)
5. Hawaii Medical Service Association (HMSA)
Trustee Currivan Musto acknowledged and commended HMSA's participation in promoting diabetes awareness and blood drive.
6. Kaiser Health Foundation
Trustee Currivan Musto acknowledged and commended Kaiser for their grants of \$164,000 to improve health and their grade of "A" in the Fall 2018 Leapfrog Hospital Safety Grade.
7. US Able Life
8. Vision Service Plan (VSP)

III. EXECUTIVE SESSION (continued)

The Board moved into Executive Session at 10:42 a.m.

The regular meeting reconvened from Executive Session at 11:45 a.m.

VIII. NEXT MEETING DATE

Monday, January 14, 2019, 9:00 a.m. – July 1, 2018 actuarial valuation and financial statement audit fiscal year ending June 30, 2018

IX. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:51 a.m. (Hidano/Elefante) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Christian Fern, Secretary-Treasurer

APPROVED on January 14, 2019.

Documents Distributed:

1. Draft Board Minutes of 11/27/18. (6 pages)
2. Memorandum to BOT from EUTF Benefits Audit Specialist Regarding Follow Up To Claims Technologies Incorporated (CTI) Claims Audit Report Review of Medical Benefit Administration by HMSA dated 12/18/18. (2 pages)
3. Memorandum to BOT from EUTF Benefits Audit Specialist Regarding Follow Up on HMSA's Audit Eligibility Review and Appeals Performance Guarantees for the Contract Period 7/1/13-6/30/16 Active Employees and 1/1/14-12/31/15 Retirees dated 12/18/18. (1 page)
4. Memorandum to BOT from Segal Consulting Regarding 2019/2020 Active Prescription Drug Rates dated 12/18/18. (4 pages)
5. Memorandum to BOT from Segal Consulting Regarding 2019/2020 Active Supplemental Medical Plan Rates dated 12/18/18. (3 pages)
6. Memorandum to BOT from Administrator Regarding Board Meeting Schedule for Fiscal Year 2020 dated 12/13/18. (2 pages)
7. Memorandum to BOT from Administrative Committee Regarding 12/07/18 Administrative Committee Meeting dated 12/07/18. (1 page)
8. Segal Consulting Update, Public Sector Benefits Compliance News dated 11/30/18. (3 pages)
9. Administrator's Monthly Report to the Board from 11/17-12/07/18 dated 12/07/18. (21 pages)
10. Memorandum to BOT from Member Services Branch Manager Regarding November – December 2018 - Member Services Operations Report dated 12/07/18. (15 pages)
11. Memorandum to BOT from Information Systems Chief Regarding November – December 2018 Information Systems (IS) Operations Report dated 12/07/18. (12 pages)
12. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding November – December 2018 EUTF Benefits Audit Specialist Report dated 12/07/18. (2 pages)
13. Memorandum to Administrator from EUTF Program Specialist Regarding November – December 2018 EUTF Program Specialist Report dated 12/07/18. (2 pages)
14. Memorandum to BOT from EUTF Financial Management Officer Regarding November 2018 - December 2018 Financial Services Branch (FSB) Report dated 12/07/18. (16 pages)
15. CVS Caremark Monthly Carrier Report for November 2018 dated 12/06/18. (13 pages)
16. SilverScript Monthly Carrier Report for November 2018 dated 12/05/18. (3 pages)

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17. HDS Monthly Carrier Report for November 2018 dated 12/10/18. (2 pages)
18. HMA Monthly Carrier Report for November 2018 dated 12/1/18. (2 pages)
19. HMSA Monthly Carrier Report for November 2018 dated 12/15/18. (3 pages)
20. Kaiser Monthly Carrier Report for November 2018 dated 12/10/18. (3 pages)
21. US Able Life Monthly Carrier Report for November 2018 dated 12/07/18. (2 pages)
23. VSP Monthly Carrier Report for November 2018 dated 12/10/18. (2 pages)