

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, March 19, 2019

TRUSTEES PRESENT

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

Mr. Damien Elefante
Ms. Laurel Johnston
Mr. Gordon Murakami

TRUSTEES ABSENT

Ms. Celeste Nip
Mr. Clifford Uwaine

Mr. Ryker Wada

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Ms. Maria Quartero
Ms. Linda Green
Ms. Bonny Kahalewai

Mr. Thomas Morrison, Benefits Consultant
Mr. Raymond Kan
Ms. Chandra Maroney
Ms. Heather McMahan
Ms. Lara Nitta

OTHERS PRESENT

Ms. Marissa Adachi, HMSA
Ms. Cheryl Archer, USAble
Ms. Dina Aun, CVS
Ms. Stacia Baek, HMSA
Ms. Sandra Benevides, CVS Health
Ms. Carol Bernal, HMA
Mr. Ty Bowers, CVS Health
Mr. Luis Carbajal, CVS Health
Mr. Su Chai, Kaiser
Mr. Tom England, Kaiser
Ms. Susan Goya, HGEA-R
Mr. Galen Haneda, HMSA
Ms. Keiko Hiraoka, Lilly

Ms. Monica Kim, VSP
Ms. Mae Kishimoto, HSTA-R
Ms. Angela Kohls, Kaiser
Mr. Brandon Kumabe, HMSA
Ms. Joey Lee, HDS
Mr. Christopher Letoto, HMSA
Ms. Denise Mercil, Securian
Mr. Kurt Neuenfeld, CVS Health
Ms. Kim Tomasa, C&C Honolulu, DHR
Mr. Troy Tomita, Kaiser
Ms. Jennifer Woo, C&C Honolulu, DHR
Ms. Darlene Yamada, DHRD-EAO

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, March 19, 2019.

II. MINUTES – February 19, 2019.

The Board reviewed the draft minutes of February 19, 2019. The minutes are amended as follows: 1) page 2, line 18, move the “-“ to line 19 in front of “7.4%” and 2) page 2, line 38, delete “?” and add “.” at the end of the line.

MOTION was made and seconded to approve the minutes of February 19, 2019 as amended. (Elefante/Currivan Musto) 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 9:02 a.m. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

The regular meeting reconvened from Executive Session at 9:33 a.m.

Chairperson Becker reported that the Board approved the Executive Session minutes of February 19, 2019 as amended in Executive Session.

IV. BENEFITS COMMITTEE REPORT

Mr. Derek Mizuno summarized all the proposed plan changes as described in the Benefits Committee Report dated March 18, 2019. The Board discussed the proposed plan changes.

A. HMSA Medical Proposed Plan Changes

Diabetes Prevention Program

MOTION was made and seconded to approve the Benefits Committee's recommendation to add the Diabetes Prevention Program to the EUTF and HSTA VB HMSA Medicare retiree plans as a pilot project from January 1, 2020 through December 31, 2020. (Currivan Musto/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Air Ambulance

MOTION was made and seconded to expand air ambulance coverage from Hawaii to the continental United States for critical care treatment when commercial travel is not an option because of the need for life supporting equipment and/or medical support for the EUTF and HSTA VB HMSA retiree plans effective January 1, 2020. (Fern/Currivan Musto) Trustee Laurel Johnston raised concerns about the increase in the unfunded liability.

AMENDED MOTION was made and seconded to also approve the transfer of \$2.15 million from the retiree agency fund unrestricted, unreserved net assets to the OPEB Trust Fund with the assets allocated to the employers based on their July 1, 2018 actuarial accrued liability in January 2020) (Fern/Currivan)

The Board, EUTF staff, benefits consultant, HMSA representatives discussed the expanded air ambulance benefit. Trustee Johnston requested that Mr. Brandon Kumabe, HMSA, provide further details on the proposed benefit. Mr. Kumabe informed the Board that based on other groups, HMSA projects that the benefit will be utilized 1-3 times during the EUTF and HSTA VB retiree plan years since the benefit is limited to a small population based on specific criteria. Mr. Kumabe informed the Board that this expanded benefit will be added/proposed to other groups effective January 1, 2020 and the EUTF and HSTA VB active employee plans effective July 1, 2020. Trustee Johnston stated that the narrow eligibility criteria and the assistance it would provide to the limited group offset her previous concerns regarding the unfunded liability. Trustees Fern and Currivan Musto withdrew their original and amended motions.

MOTION was made and seconded to expand air ambulance coverage from Hawaii to the continental United States for critical care treatment when commercial travel is not an option because of the need for life supporting equipment and/or medical support for the EUTF and HSTA VB HMSA retiree plans effective January 1, 2020. (Johnston/Hidano) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Mr. Mizuno informed the Board that EUTF staff and Segal have agreed to the HMSA proposed language changes to the retiree Guide to Benefits related to residential treatment facilities, rehabilitative therapy, genetic testing language and clarification, extended care facility, BlueCard provider summary, breast pump language, nonparticipating deductible and eligibility language.

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

Duexis and Vimova

MOTION was made and seconded to approve the Benefits Committee's recommendation to add prior authorization of Duexis and Vimovo for the EUTF active and non-Medicare retiree CVS prescription drug plans effective July 1, 2019. (Currivan Musto/Johnston) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Oxiconazole Step Therapy

MOTION was made and seconded to approve the Benefits Committee's recommendation to add step therapy for Oxiconazole for the EUTF active and non-Medicare retiree CVS prescription drug plans effective July 1, 2019. (Johnston/Hidano) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Hyperinflation Management

The Trustees, EUTF staff, and benefits consultant discussed delegating the addition and removal of prescription drugs without Board approval.

Two-Trial Step Therapy

The Board noted that the two-trial step therapy program was added to the four classes (acid reflux, high blood pressure, urinary incontinence and pain) with grandfathering for high blood pressure and pain to the EUTF active employee CVS prescription drug plans effective July 1, 2019.

MOTION was made and seconded for the Board to approve adding two-trial step therapy to the four classes (acid reflux, high blood pressure, urinary incontinence and pain) of the generic step therapy program to the EUTF non-Medicare retiree CVS prescription drug plans with grandfathering for all four classes effective January 1, 2020. (Johnston/Elfante) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Mr. Mizuno informed the Board that EUTF staff, Segal, SSI and HMSA are investigating the possibility of, in general, covering diabetic supplies under Medicare Part B and the HMSA retiree medical plan instead of the current EGWP wrap since there

is no benefit to the EUTF under Medicare Part D. The results will be presented at the April 22, 2019 Benefits Committee meeting.

C. HDS Dental Proposed Plan Changes

No recommendation was made by the Benefits Committee related to HDS dental proposed plan changes for Total Health Plus and Deep Sedation/General Anesthesia or IV Sedation.

MOTION was made and seconded to approve the Benefits Committee's recommendation to add Silver Diamine Fluoride coverage of an additional 2 teeth per date of service (covered at 100%) and allow coverage of restorations if placed after 30 days of the Silver Diamine Fluoride for the EUTF and HSTA VB retiree HDS dental plans effective January 1, 2020. (Curri van Musto/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

D. VSP Vision Proposed Plan Changes

MOTION was made and seconded to approve the Benefits Committee's recommendation of 100% in-network coverage of standard progressive lenses, excluding any lens option add-ons, for the EUTF and HSTA VB retiree VSP vision plans effective January 1, 2020. (Johnston/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

V. OLD BUSINESS

A. 2019 EUTF Related Legislation

Mr. Mizuno summarized the status of the EUTF proposed bills, the EUTF budget request, and other bills impacting the EUTF.

VI. REPORTS

A. Segal

1. Legislative Update

B. Administrator

1. Meetings with legislators and unions

2. Public engagement

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

The EUTF Managers' and Specialists' 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. Active Employee Open Enrolment 2019

b. V3 Benefits Administration System (V3 BAS) Modified Phase II (Employer File Feed)

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Trustee Hidano inquired about the status of Phases I and II. Mr. Raymond Kan responded that Phase I is deployed and working. The estimated completion of Phase II is by the end of the calendar year.

- c. HIC to MBI Number Conversion
- d. HIPAA Risk Assessment
- e. Medicare Part B Reimbursement Amounts for 2017
- f. Microsoft Azure Cloud
- g. Vacancies
- h. Enrollment Counts

- 3. EUTF Benefits Audit Specialist Report
 - a. Follow-up on Common Duplicate Claim Payment Errors from HMSA
 - b. Follow-up on the Number of Domestic Partners Added to EUTF Plans
 - c. Audits Currently in Progress
 - d. Additional Audits to be Initiated by 6/30/19
 - e. 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. FSB Staffing Update
 - e. Financial Statements as of January 31, 2019.

D. Carrier Reports

The Carrier reports were in the Board packet.

- 1. CVS Caremark
- 2. SilverScript
- 3. Hawaii Dental Service (HDS)

Trustee Currivan Musto commended HDS on holding their 15th Annual Tooth Fairy Fun Day on February 17, 2019.
- 4. Hawaii Mainland Administrators (HMA)
- 5. Hawaii Medical Service Association (HMSA)

Trustee Currivan Musto commended HMSA for distribution of Automated External Defibrillators (AED) to schools through a \$300,000 grant.
- 6. Kaiser Health Foundation

Trustee Currivan Musto commended Kaiser on being named one of America's Best Hospitals for Obstetrics by the Women's Choice Award.

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

The regular meeting recessed at 10:29 a.m.

The regular meeting reconvened at 11:03 a.m.

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

1. Termination of a contract for insurance brokerage services.
2. A contract for insurance brokerage services

VII. NEXT MEETING DATE

The next Board meeting is on Tuesday, April 23, 2019 at 9:00 a.m.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:04 a.m. (Johnston/Ellefante) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Respectfully submitted,

/s/

Christian Fern, Secretary-Treasurer

APPROVED on April 23, 2019.

Documents Distributed:

1. Draft Board Minutes of 2/19/19. (6 pages)
2. Memorandum to BOT from Benefits Committee Regarding 3/18/19 Benefits Committee Meeting dated 3/18/19. (4 pages)
3. Legislative Update dated 3/19/19. (13 pages)
4. Administrators Monthly Report to the Board from 2/9/19 dated 03/08/19. (1 page)
5. Memorandum to BOT from Member Services Branch Manager Regarding February 2019-March 2019 Member Services Operations Report dated 3/8/19. (12 pages)
6. Memorandum to BOT from Information Systems Chief Regarding February 2019-March 2019 Information Systems (IS) Operations Report dated 3/8/19. (11 pages)
7. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding February 2019-March 2019 EUTF Benefits Audit Specialist Report dated 3/8/19. (2 pages)
8. Memorandum to Administrator from EUTF Program Specialist Regarding February 2019-March 2019 EUTF Program Specialist Report dated 3/8/19. (2 pages)
9. Memorandum to BOT from Financial Management Officer Regarding February 2019-March 2019 Financial Services Branch (FSB) Report dated 3/8/19. (15 pages)
10. CVS Caremark Monthly Carrier Report for February 2019 dated 3/7/19. (2 pages)
11. SilverScript Monthly Carrier Report for February 2019 dated 3/6/19. (11 pages)
12. HDS Monthly Carrier Report for February 2019 dated 3/8/19. (2 pages)

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13. HMA Monthly Carrier Report for February 2019 dated 3/1/19. (2 pages)
14. HMSA Monthly Carrier Report for February 2019 dated 3/15/19. (3 pages)
15. Kaiser Monthly Carrier Report for February 2019 dated 3/11/19. (2 pages)
16. Securian Financial Monthly Carrier Report for February 2019 dated 3/10/19. (1 page)
17. US Able Life Monthly Carrier Report for February 2019 dated 3/10/19. (2 pages)
18. VSP Monthly Carrier Report for February 2019 dated 3/7/19. (2 pages)