

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
July 17, 2002

TRUSTEES PRESENT

Ms. Kathryn S. Matayoshi, Chairperson
Ms. Audrey Hidano

Mr. Gerald Machida
Mr. James Williams

GUEST TRUSTEE

Mr. Willard Miyake

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

HEUHBTF STAFF

Mr. Mark Fukuhara, Administrator
Mr. Tracy Ban
Ms. Lynette Fukunaga

Mr. John Garner, Consultant
Ms. Shirley Kawamoto
Ms. Wanda Kimura

Ms. Gerti Reagan, Consultant
Mr. Gary Sanehira
Ms. Karen Tom

OTHERS PRESENT

Ms. Jean Aoki, HSRTA
Mr. George Butterfield, HSTA-Retired
Ms. Becky Bates, HDS
Mr. Rob Chung, Kaiser
Ms. Nani Crowell, HSTA-MBC
Ms. Monica Engle, VSP

Ms. Jean Kashiwaeda, B&F
Mr. Charles Khim
Ms. Ruth Kim, HSTA-Retiree
Mr. Gordon Murakami, -Royal State
Ms. Kären Muronaka, HSTA-Retired

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 1:45 p.m. by Chairperson Kathryn Matayoshi in the Department of Business, Economic Development and Tourism Conference Room 436, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on Wednesday, July 17, 2002.

II. APPROVAL OF MINUTES

MOTION to approve the minutes of May 17, 2002 as submitted. (Machida/Williams)
Discussion: None.
Vote: Unanimously passed.

MOTION to approve the minutes of May 31, 2002 as submitted. (Machida/Williams)
Discussion: None.
Vote: Unanimously passed.

Executive Session minutes of May 31, 2002 and June 17, 2002 will be reviewed and approved during Executive Session that will be taken up after Item VII on the agenda.

III. REPORTS

A. Administrator – Staffing Plan

Mr. Fukuhara announced that Ms. Kimura was going back to the Department of Budget and Finance effective August 1, 2002. He reported on his staff positions, their start-up functions, and recruitment timeline. An updated position

organizational chart that integrates the Trust Fund with Health Fund positions will be provided after an assessment on long-term staffing has been completed.

B. Attorney General

There was no report from Mr. Aburano.

IV. UNFINISHED BUSINESS

A. TPA vs. In-House Administration

Discussion deferred pending Gartner Group recommendations.

B. HIPAA Readiness Collaborative

MOTION was made to recommend to the full Board that the Trust Fund join the HIPAA Readiness Collaborative. (Williams/Machida)

Discussion: The Administrator recommended that the Trust fund join the Collaborative. The cost to the Trust Fund would be \$3,000.

Vote: Unanimously passed.

C. Health Fund Information and Management System (HFIMS) Evaluation – Gartner Group Recommendations

1. Short-Term Recommendations

The Committee reviewed the items that were recommended for completion prior to July 2003. Specific items discussed were:

- a. Item 3 - Retain the services of a PeopleSoft certified systems integration partner to assist with the planning and implementation of the following:
 - Configuration of the system to meet the initial Trust Fund requirements; and
 - Implementation of the administrative fees.

Costs tentatively estimated at \$450,000 and \$600,000. There are three things the Trust Fund would get from a systems integration partner:

- (1) a test environment rather than a production environment,
- (2) assistance to help prepare for open enrollment, and
- (3) work with the Trust Fund to handle the administrative fee.

Mr. Fukuhara reported that HFIMS is capable of accomplishing what the Gartner Consulting Group is recommending with some assistance, which could be provided by the Health Fund's Consultant, e-World. It would not be necessary to go through the complete RFP process since e-World

is on the approved vendor list, nor will it cost the amounts tentatively estimated.

Mr. Fukuhara and Mr. Sanehira were requested to work on the scope of services for the implementation of anticipated modifications to deal with open enrollment and administrative fees for review at the Committee's next meeting in mid-August. The Committee will also go through the approved vendor list so as to not limit itself to the Health Fund's consultant and be able to go through an expedited process. In trying to determine the cost of HFIMS, Mr. Fukuhara and Mr. Sanehira were also tasked with contacting DAGS regarding assessments that might be made to the Health Fund for the cost of ICSD support staff.

Mr. Aburano was asked to give an assessment on outsourcing, from a legal standpoint.

- b. Item 4 - Establish the policy to conduct business process reengineering at the time the configuration changes and increased functionality are deployed through HFIMS

This item was referred to the Administrator. Mr. Fukuhara was asked to report to the Board after reviewing current PEHF processes and see things whether the Trust Fund could do things more efficiently. Mr. Fukuhara stated that he would report to the Committee at the next meeting.

The continued pursuit of a TPA option was discussed, as well as the possible continuation of union plans. There was a desire to issue a limited RFI to explore costs, sense of scope and availability of TPA providers.

MOTION was made to have a sub-committee composed of Trustees Hidano and Williams to work with the consultant to prepare an RFI for Board consideration on July 23, 2002. (Machida/Matayoshi)
Discussion: None
Vote: Unanimously passed.

- c. Item 5 - During open enrollment, requirement to perform on a one-time data entry basis of 40,000+ employees.

This recommendation is delegated to Mr. Fukuhara to evaluate and bring back to the Committee at the next meeting in mid-August.

- d. Item 6 - Ensure that the planning process for upcoming changes to HFIMS is both thorough and rigorous to ensure minimal downstream impact.

- e. Item 7 - Revisit any existing budget and scheduling information regarding major changes to HFIMS to verify their validity and relevance to the Trust Fund timeline.

These two recommendations (items 6 and 7) are deferred until the next meeting or when decisions are made regarding HFIMS.

- f. Item 8 - Obtain State approval to utilize the existing financial system (FAMIS) to record the accounting activity for the Trust Fund.

This item was delegated to staff. At least for the coming fiscal year, the Trust Fund will need to continue to utilize FAMIS.

2. Long-Term Recommendations

There being no objection, the Committee referred the long-term recommendations to the staff for review and recommendations.

V. NEW BUSINESS

Items to be raised at Board meeting:

A. Formation of a Personnel Committee

MOTION was made to recommend to the full Board to establish a Personnel Subcommittee. (Hidano/Williams)

Discussion: The subcommittee would handle CEO evaluations, compensation issues, etc. The subcommittee would be comprised of the Chair and Secretary-Treasurer who would evaluate the Administrator and possibly other designated personnel.

Vote: Unanimously passed.

B. Other Issues

There are items from the past that need to be placed on the agenda; such as:

1. Financial matters - cash flow for the upcoming year.
2. Budget development for Fiscal Years 2004-2005.
3. Proposed legislation and legislative game plan.

Chair Matayoshi will include in her report back to the full Board a request for approval to add: (1) development of the budget; and (2) legislation and legislative game plan to the Administrative Committee's agenda.

- C. There was discussion that the Board should, at some time in the future, look at possibly reconfiguring the committee structure, as finance, personnel, and benefits.

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

There was no communication from the public.

MOTION to go into Executive Session. (Hidano/Machida)

Discussion: None.

Vote: Unanimously passed.

Executive Session was held from 3:55 p.m. to 4 p.m.

MOTION to move out of Executive Session. (Machida/Hidano)

Discussion: None.

Vote: Unanimously passed.

VII. NEXT MEETING

The next meeting of the Administrative Committee was deferred until after the next Board meeting.

VIII. ADJOURNMENT

MOTION to adjourn. (Williams/Hidano)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 4 p.m.

Respectfully submitted,

Kathryn Matayoshi, Chairperson

APPROVED on October 9, 2002.

DOCUMENTS DISTRIBUTED:

1. Minutes for May 17, 2002. (13 pages)
2. Minutes for May 31, 2002. (3 pages)
3. Staff Positions and Start-Up Functions. (1 page)
4. Recruitment Plan (07/12/02). (1 page)
5. Approved Minutes for April 18, 2002. (4 pages)
6. Approved Minutes for April 25, 2002. (4 pages)