

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
October 1, 2003

TRUSTEES PRESENT

Mr. Mark Recktenwald, Chairperson	Mr. Will Miyake
Ms. Audrey Hidano	Mr. Dayton Nakanelua
Mr. Gerald Machida	Ms. Kathleen Watanabe (Arrived 8:42 am)

TRUSTEES ABSENT: None

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. Mark Fukuhara, Administrator	Mr. John Garner, Consultant
Mr. Lawrence Nishihara	Mr. Gary Sanehira
Ms. Maria Quartero	Ms. Donna Tonaki

OTHERS PRESENT

Mr. Tracy Ban, B&F	Ms. Gertrude Nitta, HGEA-R
Mr. Rick Jackson, MDX Hawaii	Mr. Rod Tam, HMSA
Mr. Norbert Mendes, HDS	Ms. Lori Taniguchi, Royal State Group

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 8:32 a.m. by Chairperson Mark Recktenwald in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Wednesday, October 1, 2003.

II. APPROVAL OF MINUTES: None

III. REPORTS:

A. Administrator
Mr. Fukuhara reported on:

Letter from David Shimabukuro to the EUTF regarding ERS Responsibilities and Draft Response Letter from the Administrator (see handouts).

Discussion held by Trustees and staff regarding ERS willingness to continue to assist the EUTF with respect to retirees or prospective retirees. Mr. Aburano stated that he understood that the ERS Board had not directed the ERS staff to stop assisting the EUTF, but that the ERS Board was concerned about the ERS staff catching up on their own work. He said the ERS is probably willing to continue to assist the EUTF if the EUTF makes it easier by providing training, support, and materials to the ERS staff. Further discussion by the Trustees and staff on supporting the ERS staff. By consensus, the Trustees agreed that the EUTF work with the ERS staff to provide information, support, and training and that the ERS continue to provide information and support to the retirees on Oahu and the neighbor islands.

B. Deputy Attorney General: None

C. Benefits Consultant: None

IV. UNFINISHED BUSINESS

A. Potential Legislative Proposals

1. Draft Bill for an Act Relating to EUTF (see handout).

Mr. Aburano gave an overview on the draft bill. He stated that the draft had not yet been reviewed by the Attorney General. Mr. Aburano explained that the Attorney General's office generally reviews all bills, and that this bill would be reviewed like all others if the EUTF wanted to submit it to the legislature. Discussion held by the Trustees and the Deputy Attorney General regarding section 4, 5, and 6 of the draft bill. Chair Recktenwald's concern is the exposure of the Trust Fund and clarified that the EUTF is no different from any state agency in terms of the procedure it would have to follow to cover any judgment rendered against it, i.e., the EUTF would go to the legislature to ask for appropriations to cover any judgment against the Trust Fund. Further discussion on section 5 regarding liabilities and section 6. Chair Recktenwald asked whether the Board had the power and authority to take on and complete Health Fund tasks. Mr. Aburano responded that the Board probably has the implied power to do so because Act 88 transfers all the Health Fund assets, personnel, and records to the EUTF and there is no one else better placed to perform this work. Further discussion held by Trustees and staff regarding the total amount of known Health Fund liabilities. Discussion held by the Trustees and staff regarding the Health Fund audit and if the EUTF staff should assist in the completion of the audit because at the last board meeting, the Board directed the Administrator to stop doing any Health Fund work.

By consensus of the Trustees, recommendation was made for the Board to clarify that the Administrator is authorized and directed to move forward to complete the Health Fund audit and to allow the EUTF staff to communicate, answer requests for information, have discussions with Budget & Finance or other state agencies, and perform all other acts necessary to complete the Health Fund audit.

By consensus of the Trustees, the draft bill is referred to the Board with reservations from Chair Recktenwald and Trustee Watanabe.

2. Potential Legislative Issues – 2004 Legislature (see handout).

Discussion by the Trustees regarding the potential legislative issues. There being no consensus by the Trustees, this matter did not move forward. It is noted that Trustee Miyake reserves his right or view that many of these issues have merit.

3. Potential Amendments to Chapter 87A (see handout)

Discussion by Trustees and staff regarding No. 7 of the potential amendments to Chapter 87A. Further discussion by Trustees on the potential amendments to Chapter 87A. There being no consensus by the Trustees, this matter did not move forward noting that Trustee Lewis may raise the issue regarding No. 7 on voting.

B. Potential Administrative Rule Changes (see handout). [Deferred]

V. NEW BUSINESS

A. eWorld Extension (see handout). [Deferred to Full Board.]

B. PC Hardware/Software Upgrade for Imaging System (see handout). [Deferred to Full Board.]

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

There was no communication from the public.

VII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

The next regular Committee meeting will be scheduled at a later date.

VIII. ADJOURNMENT

By consensus of the Trustees, the meeting was adjourned.

Meeting adjourned at 9:58 a.m.

Respectfully submitted,

/s/

Mark Recktenwald, Chairperson

APPROVED on July 20, 2004.

DOCUMENTS DISTRIBUTED:

1. Potential Legislative Issues 2004 Legislature dated 9/3/03. (1 Page)
2. Administrative Rules for Discussion dated 9/3/03. (5 Pages)
3. Estimated Cost for eWorld Extension dated 9/15/03. (1 Page)
4. PC Upgrades-Imaging Access to All Staff dated 9/15/03. (1 Page)
5. Approved Minutes for 5/29/03. (2 Pages)
6. Approved Minutes for 6/16/03. (3 Pages)
7. Approved Minutes for 9/03/03. (3 Pages)