

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
March 22, 2005

TRUSTEES PRESENT

Mr. John Radcliffe, Chairperson
Mr. Nelson Befitel (arrived at 10:56 am)
Ms. Joan Lewis (arrived at 10:50 pm)

Mr. Stanley Shiraki
Ms. Katherine Thomason

TRUSTEES ABSENT

Mr. Willard Miyake

ATTORNEY: Mr. Russell Suzuki, Deputy Attorney General

EUTF STAFF

Mr. James Williams, Administrator
Mr. Lawrence Nishihara
Ms. Maria Quartero
Ms. Kathleen Shiroma

Mr. John Garner, Consultant
Ms. Gerti Reagan, Consultant
Ms. Donna Tonaki

OTHERS PRESENT

Ms. Lynette Arakawa, HDS
Ms. Sandra Benevides, Kaiser Permanente
Ms. Monica Engle, VSP
Ms. Venus Gabuyo, MBAH
Ms. Jeri Kakuno, MDX Hawaii
Mr. Eleu Kane, Summerlin
Ms. Ruth Kim, HSTA-R

Mr. Maurice Morita, HSTA
Mr. Michael Moss, HMSA
Ms. Gertrude Nitta, HGEA-R
Ms. Susan Pestana, HSTA-MBC
Mr. Rod Tam, HMSA
Mr. George Yamamoto, HGEA-Retirees

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 10:32 a.m. by Chairperson John Radcliffe in Conference Room 1935, City Financial Tower, 201 Merchant Street, Honolulu, Hawaii, on Tuesday, March 22, 2005.

Chairperson Radcliffe introduced Russell Suzuki from the Attorney General's office who is sitting in for Brian Aburano.

II. APPROVAL OF MINUTES

The Committee reviewed the draft minutes for the January 18, 2005 meeting.

MOTION was made to approve the minutes for the January 18, 2005 meeting as submitted. (Thomason/Shiraki) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

III. REPORTS

- A. Administrator: None
- B. Deputy Attorney General: None
- C. Benefits Consultant: None

IV. UNFINISHED BUSINESS: None

V. NEW BUSINESS

A. Appeal by Employee-Beneficiary

Discussion will be held in Executive Session.

B. Medicare Part D, Subpart R, Application for Subsidy

Mr. Williams gave an overview regarding two memorandums from the Director of Finance requesting information from the EUTF related to the State's intent to submit an application under Subpart R, Payments to Sponsors of Retiree Drug Plans.

Mr. Williams reviewed the minutes of the November Board meeting and stated that there was extensive discussion regarding Medicare Part D and a motion was passed that a decision on who to apply would be made at a later date. Mr. Garner gave an overview of his letter (see letter) that was distributed to the Trustees regarding Medicare Part D issues raised by the March 4, 2005 memorandum from Budget and Finance. Trustee Lewis arrived at 10:50 a.m. Chair Radcliffe commented that the intent is to keep costs for retirees down for as long as possible. Trustee Befitel arrived at 10:56 a.m. After discussion by the Trustees, staff, and consultant regarding Medicare Part D issues and who should be the plan sponsor, the subject matter was deferred until the May Committee meeting. An Attorney General's opinion regarding the definition of plan sponsor should be done before the May meeting. Trustee Radcliffe requested copies of all correspondence between the Federal Government and Budget and Finance related to Medicare Part D.

Mr. George Yamamoto commented that the retirees just want to maintain benefits.

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 the Board meeting.

VIII. EXECUTIVE SESSION (Items for Discussion and Action)

MOTION was made at 11:27 a.m., to go into Executive Session to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities regarding: (1) appeal by employee-beneficiary; and (2) Medicare part D, subpart R, application for subsidy. (Thomason/Lewis) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

MOTION was made to move out of Executive Session. (Thomason/Shiraki) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

Executive Session adjourned at 11:39 a.m.

Report from Executive Session:

1. Appeal by Employee-Beneficiary

The Benefits Committee recommended that the Board approve upholding the staff recommendation to deny the appeal.

IX. ADJOURNMENT

By consensus of the Trustees, the Benefits Committee meeting adjourned at 11:40 a.m.

Respectfully submitted,

/s/

John Radcliffe, Chairperson

APPROVED on May 17, 2005.

DOCUMENTS DISTRIBUTED:

1. Draft Minutes of 1/18/05. (3 pages)
2. Letter from Garner Consulting regarding Medicare Part D issues dated 3/21/05. (4 pages)
3. Approved Minutes for 11/16/04. (5 pages)