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)