

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Benefits Committee Meeting
April 2, 2002

TRUSTEES PRESENT: Ms. Joan Lewis, Chairperson
Mr. Neal Miyahira
Mr. Willard Miyake (Arrived at 9:18 a.m.)

TRUSTEE ABSENT: Ms. Audrey Hidano, Vice-Chairperson

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

HEUHBTF STAFF: Ms. Lynette Fukunaga
Ms. Shirley Kawamoto
Ms. Wanda Kimura
Mr. Gary Sanehira

OTHERS PRESENT: Ms. Becky Bates – HDS
Mr. George Butterfield – HSTA-Retired
Ms. Alana Deppe-Mariota – Kaiser Permanente
Ms. Monica Engle – Vision Service Plan
Ms. Grace Ing – HSTA-Retired
Mr. Charles Khim
Ms. Ruth P. Kim – HSTA-Retired
Mr. Michael Moss – HMSA
Mr. Gordon Murakami – Royal State
Mr. Rod Tam – HMSA
Mr. Jim Williams - Trustee
Mr. George Yamamoto – HGEA, Retirees

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 9:13 a.m. by Ms. Joan Lewis, Chairperson, in Conference Room 303, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on April 2, 2002.

II. APPROVAL OF MINUTES

Motion to approve the minutes of March 19, 2002. (Miyahira/Lewis)
Discussion: None.
Vote: Unanimously approved.

III. NEW BUSINESS

A. Review of benefit consultant request for proposal
Mr. Williams of the Administrative Committee explained that while the Administrative Committee gave priority to Section 2, Scope of Work, it found that the Benefits Committee's input was necessary prior to the Administrative Committee's making a recommendation to the full Board.

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In reviewing the letter of March 29, 2002 received from HMSA, a concern was raised as to the timeframe for benefit plan design implementation. Seven months is provided in the scope of services; nine months is estimated in the letter. Clarification was provided by the carrier that six months would be necessary to negotiate and finalize contract rates, etc., should the trust fund maintain a structure similar to the current benefit plans - and a minimum of nine months would be required if new benefit plans such as a triple benefit plan option were offered.

As an aid to the Benefits Committee, it was suggested that the committee review the Health Fund's annual report for insight as to how the Health Fund's plans have been working, what their experience has been, where their claims are being paid, and what benefits are utilized or under-utilized. Staff was requested to provide copies of the Health Fund's annual report to the Benefits committee members.

RECESS: 10:50 a.m. to 11:05 a.m.

Changes proposed by the Benefits Committee on Section 2, Scope of Work; Item II, Specifications, are as follows:

- 1) A. General Analysis and Evaluation of Existing Contract and Benefit Plans
"Analysis and evaluation of all current benefit plan ~~[contracts and amendments]~~ features including rates, ~~[re-negotiations concerning risk implications,]~~ benefit plan coverages and monthly employee and retiree premium rates from publicly available data to determine which benefit plan design[s] features under ~~[the PEHF or employee organization(s)]~~ should be continued, if any] existing contracts should be considered."
- 2) C. Existing Trust Contract and Benefit Plans
"Analysis and evaluation of all current ~~[employee]~~ Trust benefit plan contracts, contract extensions, and amendments including rate-negotiations concerning insurance risk implications, benefit plan coverages and monthly employee and retiree premium rates to assure the Board that ~~[such contracts, coverages, and rates are in proper order at all times]~~ contracts and benefits are in compliance with the contract."
- 3) D. New Contracts and Benefit Plans
 - a) Second paragraph
"By November 1, the Consultant shall submit a report to the Board summarizing each insurance carrier's proposed monthly premiums per active and retired employees and various benefit plan changes. ~~[The Administrator shall send the Consultant's report to public employers to notify them of anticipated rate and benefit plan changes.]~~"
 - b) Fifth paragraph
"By ~~[November]~~ October 1 of the next calendar year, the Consultant shall prepare a special report evaluating the implementation,

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- administration and financial impact of new or modified benefit plans or benefit plan improvements or reductions which began on July 1 or on another effective date.”
- 4) E. Program Management, Item No. 4.
Second sentence: “The Consultant shall ~~[prepare a special report to]~~ advise the Administrator ~~[on how]~~ in respect to implementation or [integrate]integration of new or modified beneficiary benefit plans or other plan improvements, if any, into the Trust Fund's operations.”
 - 5) F. Reports
 - a) Delete Item No. 2, Comparative Report of Benefit Plans
“~~[2. Comparative report of Benefit Plans
By September 1 of each year, preparation of a summary comparison of the Hawaii Employer Union Health Benefits Trust Fund benefit plans with other state and private sector benefit plan[s] or programs.]~~”
 - b) Item No. 3, Quarterly and Special Reports
 - (i) Renumber Item Number 3 to 2.
 - (ii) First sentence: “The Consultant shall ~~[submit]~~ deliver 40 copies of quarterly and special reports to the Administrator eight days prior to the Board’s Regular, Special or Sub-Committee meeting dates.”
 - 6) H. Meetings
 - a) Item No. 2, Meetings with the Administrator and Board Chair
First paragraph: “The Consultant shall meet with the Administrator, Sub-Committee Chairs and Board Chair once a month for a full day to discuss, plan, improve or implement trust fund administration activities, ~~[resolve employee appeals,]~~ draft or analyze legislation or review other special issues.”
 - b) Item No. 3, Meetings with Trust Fund Insurance Carriers
“The Consultant shall meet with carriers to negotiate rates and benefit plan coverages subject to the Board’s final approval, ~~[mediate employee complaints, resolve]~~ assist in resolving difficult claims, discuss contract administration, program issues, pending and proposed legislation, and quarterly benefit plan performance, and review carriers’ benefit plan enrollment and claims processing procedures.”
 - 7) I. General Consulting Advice
Last sentence: “The trends, developments and changes covered by this Section include, but are not limited to: new or anticipated changes in legislation, regulations, policies and procedures of governments and government agencies; developments or trends in the nature and types of beneficiary benefit plans available locally and nationally; developments or trends in the administration or operation of employee benefit plans; developments, changes or trends in the health, life and other relevant insurance markets locally and nationally.”

After completing Section 2, the Benefits Committee reviewed and revised Sections 1 and 3 of the RFP:

- 8) Section 1, Administrative Overview; Item XV, Termination, Modification or Continuation of Contract by Either Party
Second paragraph: “[~~The~~]In the first twelve months, the contract shall not be terminated except for cause, after which the Board shall give the Consultant at least sixty (60) days notice of such termination or continuation.”
- 9) Section 3 – Proposal Application; Item II, Transmittal Letter; Item B, Legal Entity
Second sentence: “The name(s) and location(s) of office where the work will be performed must be identified.”

Discussion ended after Section 3. The review of the RFP will continue at the Administrative Committee meeting scheduled for Thursday, April 4, 2002. Mr. Miyake, who will not be able to attend the meeting, asked Mr. Williams to raise his concerns in his stead.

Staff will include the standard contract and general conditions for Section 5 for review with the next draft.

IV. Future Agenda Items and Next Meeting Date

Next meeting is scheduled for Tuesday, April 16, 2002, 1:30 p.m. to: 1) discuss a general plan of action for the work of the committee; and 2) hear a presentation on the HFIMS system and its capabilities. All trustees will be invited to attend the HFIMS system presentation.

V. ADJOURNMENT

Motion to adjourn. (Miyahira/Miyake)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 12:03 p.m.

Respectfully submitted,

Joan Kamila Lewis, Chairperson

APPROVED on April 30, 2002.

DOCUMENTS DISTRIBUTED:

1. Minutes March 19, 2002. (3 pages)

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2. Letter dated March 29, 2002 from Mr. Michael D. Moss, HMSA, regarding information to clarify statements made at the first Benefits Committee meeting.
3. Request for Proposals for Employee Benefit Plan Consulting Services. (43 pages)