

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Benefits Committee Meeting  
August 20, 2003

TRUSTEES PRESENT

Mr. John Radcliffe, Chairperson  
Ms. Audrey Hidano, Vice-Chairperson  
Ms. Joan Lewis (Arrived 8:18 am)  
Mr. Willard Miyake

TRUSTEE ABSENT: None

GUEST TRUSTEES

Mr. Bob Awana (Arrived 8:49 am)  
Mr. Harold DeCosta  
Mr. Mark Recktenwald

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General (Arrived 8:08 am)

EUTF STAFF

Mr. H. Mark Fukuhara, Administrator	Mr. Andy Keowen, Consultant
Mr. Lawrence Nishihara	Ms. Gerti Reagan, Consultant
Ms. Maria Quartero	Ms. Donna Tonaki
Ms. Kathleen Shiroma	

OTHERS PRESENT

Ms. Lynette Arakawa, HDS	Ms. Doreen Kuroda, HRD
Mr. Tracy Ban, B&F	Mr. Maurice Morita, HSTA
Ms. Alana Deppe-Mariota, Kaiser Permanente	Mr. Michael Moss, HMSA
Ms. Monica Engle, VSP	Mr. Gordon Murakami, Royal State
Ms. Elaine Fujiwara, HDS	Ms. Celeste Nip, HFFA
Ms. Venus Gabuyo, MBAH	Mr. Rod Tam, HMSA
Mr. Calvin Hutton, Ceridian	Ms. Lori Taniguchi, Royal State
Mr. Rick Jackson, MDX Hawaii	Ms. Amy Yasuda, UOH

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 8:06 a.m. by Chairperson John Radcliffe in Conference Room 1935, City Financial Tower, 201 Merchant Street, Honolulu, Hawaii, on Wednesday, August 20, 2003.

II. APPROVAL OF MINUTES: None

III. REPORTS

- A. Administrator: None
- B. Deputy Attorney General: None

- C. Benefits Consultant  
Kaiser/HRET Survey (see handout)  
Mr. Andy Keowen gave an overview on the Kaiser/HRET Survey (see chart handout). Hawaii did not participate to the survey. Ms. Gerti Reagan clarified that other states also did not respond to the survey. Discussion held by Trustees and consultant on the Kaiser/HRET survey.

#### IV. UNFINISHED BUSINESS

- A. Dual coverage medical plan effective mid-year  
The Trustees asked Mr. Ted Hong from the Office of Collective Bargaining (OCB) if the State would pay the specific dollar amounts set forth in the current collective bargaining agreements or bargain over the State's contribution for a dual coverage medical plan if the EUTF were to offer such a plan mid-year. Mr. Hong stated that the State's contribution would have to be re-negotiated. The employer's concern is the unknown and potentially large cost of an employer-pay-all dual coverage medical plan. Discussion held by Trustees, Mr. Hong, consultant, and staff on the dual coverage medical plan. Mr. Hong stated that Chapter 87A says that the EUTF has the responsibility to select benefit plans and that it is the OCB's responsibility to negotiate the employer's contribution for such plans. Trustee Lewis voiced a concern about the lack of coverage and out-of-pocket costs caused to some employee-beneficiaries by the lack of a dual coverage medical plan and felt that the situation should be monitored. Mr. Hong said that if the Board says yes to a dual coverage medical plan, then the OCB would be forced to re-negotiate. No action was taken.

Trustee Miyake stated that the board needs to confer with unions and still design an indemnity type plan to provide coverage even if contributory on the employee side. Even if it cannot be offered mid year, it should be considered for July 2004.

- B. Unbundling medical and prescription drug plans  
Mr. Fukuhara gave an overview on the Potential Impact of Offering Stand Alone (unbundled) Medical and Prescription Drug Plans (see handout). He stated that the figures in the handout just give a general idea of the number of people who would be interested in enrolling in medical or prescription drug plans on a stand alone basis. Discussion held by the Trustees on the numbers given and how stand alone plans might affect retirees.

Mr. Fukuhara also gave an overview on the Enrollment Comparisons Based on Enrollment in Medical Plans (see handout). Discussion held by Trustees, consultant, and staff on matters pertaining to non-qualified domestic partners. Consensus by Trustees for Garner Consulting to get pricing on the costs for unbundling the medical and prescription drug plans. No action was taken; additional information is to be submitted at the next committee meeting.

C. Adding to Current Two Tiers of Rates

Ms. Reagan gave an overview on the potential impact on changing the tiering (see handout). The report shows that if the tiering changed with an assumption that the new tier would be double the premium of a single employee, employees with one dependent (7,600) would have a decrease of 15% in their monthly premiums but employees with more than one dependent (16,000) would have an increase of 23% in their monthly premiums. Discussion held by Trustees and consultant on the potential impact on changing the tiering. Consensus by Trustees for Garner Consulting to give additional tiering options based on various relationships between tiers. No action was taken; additional information is to be submitted at the next committee meeting.

V. NEW BUSINESS: None

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

There were no communications from the public.

VII. FUTURE AGENDA ITEMS AND NEXT MEETING

The next regular Benefits Committee meeting is scheduled for September 17, 2003, 8 a.m. to discuss unfinished business on the unbundling of medical and prescription drug plans and adding to the current two tiers of rates, and other matters.

VIII. ADJOURNMENT

MOTION to adjourn. (Miyake/Lewis)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 9:07 a.m.

Respectfully submitted,

/s/

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John Radcliffe, Chairperson

APPROVED as amended on September 18, 2003.

DOCUMENTS DISTRIBUTED:

1. Kaiser/HRET Survey, 2002 State Employee Health Plans. (10 pages)
2. Chart on Kaiser/HRET Survey on Premium Increases by Garner Consulting. (6 Pages)
3. Potential Impact of Offering Stand Alone (unbundled) Medical and Prescription Drug Plans & Enrollment Comparisons Based on Enrollment in Medical Plans dated 8/20/03. (2 pages)
4. EUTF Tiering Model dated August 20, 2003. (1 Page)
5. Approved Minutes of July 23, 2002. (4 pages)
6. Approved Minutes of July 24, 2002. (2 pages)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Benefits Committee Meeting

August 20, 2003 Minutes

PAGE 4

7. Approved Minutes of July 31, 2002. (5 pages)
8. Approved Minutes of August 6, 2002. (3 pages)
9. Approved Minutes of August 12, 2002. (5 pages)
10. Approved Minutes of August 20, 2002. (3 pages)