

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Monday, March 10, 2003

TRUSTEES PRESENT

Ms. Audrey Hidano, Vice-Chairperson
Ms. Joan Lewis, Secretary-Treasurer
(arrived 9:10 am, left at 11:53 am)
Mr. Bob Awana
Mr. Gerald Machida

Ms. Kathryn Matayoshi (left at 12:23 pm)
Mr. Neal Miyahira
Mr. Will Miyake
Mr. John Radcliffe

TRUSTEES ABSENT

Mr. Dayton Nakanelua
Mr. Davis Yogi

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. H. Mark Fukuhara, 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. Jean Aoki, HSRTA
Mr. Phil Burr, Aetna
Ms. Nani Crowell, HSTA MBC
Ms. Alana Deppe-Mariota, Kaiser Permanente
Ms. Monica Engle, VSP
Ms Elaine Fujiwara, HDS
Mr. Rick Jackson, MDX Hawaii
Ms. Doreen Kuroda, DHRD
Ms. Lilia Yu Lum, Royal State

Mr. Tracy Matsumoto, ChiroPlan Hawaii
Mr. Norbert Mendes, HDS
Mr. Maurice Morita, HSTA
Ms. Sarah Moriyama, ORTA
Mr. Michael Moss, HMSA
Ms. Karen Muronaka, HSRTA
Ms. Celeste Nip, HFFA
Mr. Peter Rodriguez, Hartford
Ms. Lori Taniguchi, Royal State Group
Mr. George Yamamoto, HGEA-Retirees

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:10 a.m. by Trustee Audrey Hidano, Vice-Chairperson, in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Monday, March 10, 2003.

II. APPROVAL OF MINUTES: None

III. COMMITTEE REPORTS

A. ADMINISTRATIVE COMMITTEE

Trustee Matayoshi reported that the Administrative Committee met last week to review the action plan on open enrollment.

1. Printing booklets for actives and retirees

Overview by Mr. Fukuhara regarding the IFB timeline for the printing of booklets, enrollment forms, and HIPAA. Discussion held by the Trustees and staff regarding the printing of the booklets, enrollment forms, and contributions.

MOTION was made upon the recommendation of the Administrative Committee for the Board to approve the printing and delivery timetable. After discussion by the Trustees, staff, and public, the motion passed unanimously. Employer Trustees-4/Employee-Beneficiary Trustees-4)

2. DPO Training and Open Enrollment Schedule

Mr. Fukuhara gave an overview on the schedules. (see handouts) Discussion held by the Trustees and staff regarding the schedules.

B. RULES COMMITTEE

Vice-Chair Hidano reported for Trustee Yogi:

1. Regarding final draft of Administrative Rules (10/03/02)
 - a. Memos from Mel Higa (10/15/02, 10/18/02, 10/23/02, 10/23/02, 10/25/02)
 - b. Letters from Charles Khim (10/25/02, 2/4/03, 2/10/03)

Discussion held by the Trustees and public regarding letters submitted by Mr. Higa and Mr. Khim.

Mr. Higa's letter dated 3/4/03 states that he does not want to withdraw his letters. Mr. Khim's letter dated 3/5/03 states that he wants to discuss his letters at a Board meeting. Vice-Chair Hidano said Trustee Yogi is recommending that this issue be deferred to the Rules Committee.

MOTION was made to defer letters to the Rules Committee. (Matayoshi/Awana) After discussion by the Trustees, the motion passed unanimously. Employer Trustees-4/Employee-Beneficiary Trustees-4)

Mr. Khim commented that the Board amended the rules but did not address the section regarding part-time and seasonal or casual employees that he is interested in and that it should be discussed at a Board meeting when Trustee Yogi is present. He also wants confirmation as to Trustee Yogi's attendance at that Board meeting.

Vice-Chair Hidano stated that Trustee Yogi made the recommendation prior to receiving the current letters.

Mr. Higa commented that his letters were submitted in the consultation process for consideration of the rules that are now adopted and it seems backwards that it is now going back to the Rules Committee and that his comments were disregarded and the rules were adopted without looking at the communications which violated the law.

Further discussion by the Trustees and public regarding the letters submitted by Mr. Higa and Mr. Khim.

Trustee Matayoshi withdrew her motion to defer the letters to the Rules Committee. There being no objections by the Board, the motion to defer the letters to the Rules Committee was withdrawn and will remain on the Board's agenda.

Mr. Fukuhara would like confirmation of whether the letters regarding the RFP remain on the Board agenda. Discussion held by the Trustees and staff on the letters regarding the RFP. There being no objections by the Trustees, all letters will remain on the Board's agenda.

C. BENEFITS COMMITTEE: None

IV. OTHER REPORTS

A. ADMINISTRATOR

Mr. Fukuhara reported:

1. EUTF/PEHF Transition
2. Office Lease at City Financial Tower (see handout)

MOTION was made that the Board approve the office lease with validation of parking and parking spaces for employees at the City Financial Tower. (Radcliffe/Matayoshi)

Discussion held by the Trustees, staff, and public on the office lease, the rent to be paid by DAGS, and parking. Trustee Lewis asked that the rent not paid by the EUTF be reflected in a way that people understand that it is a true cost amount. Trustee Miyake agreed and added that the true cost amounts should be included for all expenses of the EUTF.

AMENDED MOTION was made that the Board remove parking spaces for employees from the lease subject to additional information. (Lewis/Miyahira) After discussion by the Trustees, the motion failed. Employer Trustees Yes 1-Miyahira, No 3-Awana, Hidano, Matayoshi/Employee-Beneficiary Trustees-Yes 1-Lewis, No 3-Machida, Miyake, Radcliffe)

AMENDED MOTION was made that the Board approve the office lease with validation of parking and parking spaces for employees at the City Financial Tower to allow entering into a parking arrangement for employees on the condition that there will be a Memorandum of Understanding. (Matayoshi/Miyake) The motion passed unanimously. Employer Trustees-4/Employee-Beneficiary Trustees-4.

There being no objections by the Board, Agenda Item VI.B was taken out of order.

Recessed at 11:00 a.m. and Reconvened at 11:08 a.m.

Agenda Item VI.B. - Final terms and conditions of health benefits plans and group life insurance plans and awards of contracts, to be effective July 1, 2003, under RFP. No. 03-001.

Mr. Garner gave an overview on the plan design recommendations (see handouts):

- a. HMO Plan - Recommendations are as they have been. No major departure, \$8 to \$10 co-pay for office visits.
- b. PPO Plan – It is better than the actuarial equivalent to the current PEHF plan. The lifetime maximum is increased to 2 million dollars and the annual co-pay maximum is decreased to \$1,500, which is a plan improvement for most people. It has a higher co-pay maximum than UHPA. Hepatitis B vaccine, without regard to the individual's occupation, was added to match the benefit that HSTA has.
- c. Dual Coverage Plan - \$2,500 annual deductible, \$500,000 lifetime maximum, and it is a straight indemnity plan and not a PPO. There is no network - you get 80% wherever you go.

Mr. Garner stated that a decision needs to be made regarding prorating amounts and carrying forward amounts. The carriers all have different ways to do it and he explained how they did it. Royal State's approach on the dual coverage plan is different. They expect people to satisfy the \$2,500 deductible in the last half of the first contract year. It is a calendar year amount and even if they are covered under HGEA, UPW, or CHAMP plans now, they would have to satisfy a new deductible. The Board may ask Royal State what the premium would be to prorate this amount. He asked if the Board would like to leave it at \$2,500 for someone that potentially has to do it in the first half of 2003, second half of 2003, and then again on January 1, 2004, or pay more in premium and get a lower deductible. It would likely have a large impact on the rates because this is intended as a high deductible plan and cutting it in half would allow more people to qualify for benefits to satisfy the deductible. Discussion held by Trustees and consultant regarding the price of the plan going up. Mr. Garner stated it would definitely go up, could be a substantial amount, and might endanger the EUTF's ability to provide it for an amount that would be negotiated at collective bargaining. By consensus of the Trustees, the deductible will be left at \$2,500 - recognizing that some people will have to satisfy the deductible twice this year.

- d. Prescription Drug Benefits – proposed benefits bundled with PPO and HMO are the same as the benefits that have been discussed for some time. The benefits that they propose bundling with the dual coverage plan (insured with HMSA and provided only to people who sign up for the Royal State dual coverage medical) is a plan designed to fill in co-payments amounts. The prescription drug benefit bundled with dual coverage is actually a maximum payment of \$15 retail for a 30-day supply and \$30 mail order for a

90-day supply; this benefit is intended to fill in the co-payment that people have under other plans.

- e. Dental Plan – modifications were made from the last time; improved benefits for child fluoride and child space maintainers to 100% (so all preventive and diagnostic treatments for actives and retirees are at 100%); and to keep the plan affordable for major services for active employees, there will be a 12-month waiting period that was discussed at the last Board meeting. The approach for prorating is different. In the past the HDS annual amounts/limits applied with the PEHF on a plan year basis. HDS wants to change to a calendar year basis to be consistent with the medical plan. Therefore, the amounts will be prorated for the last half of 2003. The benefit maximum will be increased to a \$2,000 calendar year benefit maximum but that it would be a \$1,000 benefit for the last half of 2003. If someone exhausts their \$1,000 in the first half of 2003 they get another \$1,000 for the second half (full \$2,000). However, if they did not use any benefits in the first half of the year, they would only get a \$1,000 in the second half of the year.
- f. Vision Plan – the regular plan is as discussed and is the continuation of the current plan that the PEHF had. A proposed dual coverage plan has been created which is a scheduled benefit. It is like the dual coverage plan for the drug, where it is intended to fill in co-payments under other coverage.

In order to qualify for dual coverage plans, someone has to certify on the enrollment form that they have other coverage. The EUTF will not ask for separate certifications on the different plans. If someone sign-ups for medical dual coverage, they will be allowed to sign-up for all dual coverage plans. However, if someone signs up for the regular medical plan but a dual coverage dental and vision, they will need to certify that they have other dental and vision coverage. Discussion held by Trustees and consultant regarding costs increasing due to maximum utilization of dual coverage plans and certification of all different plans. By consensus of the Trustees, the EUTF will ask for separate certifications for all plans.

- g. Life Insurance – same as discussed at the last Board meeting. A waiver of premium provision will be included. No premiums will be required for anyone who becomes disabled under age 60. For active employees, keeping the same face amounts of coverage at the present and increasing the benefits for retirees. Trustee Miyake inquired if the Board could approve higher benefits than the current benefits for actives. Mr. Garner stated that it was one alternative to have higher benefits for actives at the \$4.12 premium level or keep the current benefits and add a waiver of premium provision. Discussion held by Trustees and consultant regarding changing the premium rate from \$3.97 to \$4.12, including a waiver of premiums, other proposals submitted by carriers, and what benefits would be provided at the rate of \$3.97. Mr. Garner stated that the Aetna proposal had a lower rate for a higher benefit than other proposals. It was both for the retirees (\$4.12 and \$1,900) and there was a choice of lower rates or higher benefits for the actives. Discussion held by Trustees, consultant, and carriers regarding

an approximate amount of people that become disabled, PEHF's insurance benefits, and permanent disability. [Trustee Lewis left at 11:53 a.m.] Mr. Garner stated that Aetna is willing to do any of these scenarios: (1) \$3.97 for the current benefits; (2) \$4.12 for the higher benefit; and (3) \$4.12 with the waiver of premium. Further discussion by Trustees and consultant regarding different carriers for retiree and actives. Aetna agreed to insure both actives and retirees. Mr. Garner stated that it was indicated in the responses to questions that all the active and retiree rates had to be independent due to Act 88. The RFP was issued with the expectation that all the life insurance would go to one carrier.

MOTION was made that the Board approve Aetna's proposal referring to the summary dated October 17, 2002 at \$4.12 under age 65 is \$26,000 without the waiver of premium. (Radcliffe/Machida) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3).

Discussion held by Trustees and public regarding the sunshine law and discussions held in Executive Session. After speaking with other deputies in his department, Mr. Aburano advised that public discussion of offers made in response to the RFP would frustrate the purpose of government procurement. As such, there was a basis for such discussions to be held only in Executive Session.

Proposed Rates for Active and Retirees

Overview by Mr. Garner regarding the proposed rates for active and retirees. Kaiser would charge an extra fee for student verifications and he is waiting for a reply from HMSA.

MOTION was made that the Board approve that student verifications be done by the EUTF staff. (Matayoshi/Miyahira) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3).

Mr. Garner stated that the rates are all based on rates without a retrospective premium arrangement and with the carriers holding the reserves. Mr. Garner recommends that the carriers hold the reserves and that the EUTF have retrospective premium arrangements with HDS and VSP so long as that does not impact the rates. There is an impact on the rates with HMSA and his office is calculating how that compares to the interest that the EUTF can earn. Mr. Garner is requesting that the Board authorize him to go with a retrospective premium arrangement with HMSA if in his judgment the EUTF would be better off going that route. Discussion held by Trustees and consultant regarding the definition of "better off". Mr. Garner stated that the premium would be higher but the EUTF would only pay 95% of that higher premium and the EUTF would hold on to the 5%. Garner is trying to calculate what interest the EUTF can earn on that and how that compares to the cost of the higher premiums. Mr. Garner clarified that the Trustees can approve the proposed rates now and make a decision on the retrospective premium arrangements when the calculations by Garner are presented at the next Board meeting. If the Board were to approve the retrospective premium rates, he would use

the non-retrospective rates for purposes of payroll deductions and the "cap" for retirees. Discussion held by Trustees and consultant regarding the interest that could be made and used for payment. Further discussion held by Trustees and staff regarding the adjustment of the administrative costs to make numbers even. Mr. Garner stated that the rates are for the first year and the second year rates will be presented at the next Board meeting.

There being no objections by the Trustees, Agenda Item VI.B is deferred until March 13, 2003.

3. ACD Phones for Operational Work Center
Overview by Mr. Fukuhara regarding the proposed telephone system (see charts).

MOTION was made upon the recommendation of the Administrative Committee for the Board to approve the proposed telephone system. The motion passed unanimously. (Employer Trustees-4, Employee-Beneficiary Trustees-3)

[Trustee Matayoshi left at 12:23 p.m.]

4. EUTF/HSTA Comparison
Mr. Fukuhara reported that for their information a handout was in the Trustees' packets regarding an EUTF/HSTA comparison.
5. Legislative Update
Overview by Mr. Fukuhara regarding the legislative update (see handout).

B. DEPUTY ATTORNEY GENERAL

Mr. Aburano reported:

1. Complaint filed by George Yamamoto vs. Neal Miyahira
Mr. Aburano summarized the complaint filed by George Yamamoto that alleges that Trustee Miyahira: (a) occupied incompatible offices when he was Director of Finance and a member of the EUTF Board from January to June 2002; (b) occupied incompatible offices during the time when he was Division Chief of Budget and Finance and on the EUTF Board; and (c) violated HRS Section 78-4 by being both on the EUTF and PEHF Boards after June 3, 2002.

The Attorney General's office has or is in the process of tendering the complaint to the EUTF's insurance carrier. Mr. Aburano stated that the Attorney General will assign counsel to represent Mr. Miyahira in this lawsuit if the insurance carrier does not select counsel. By consensus of the Trustees, the Board approves that Mr. Aburano may be selected as counsel if assigned by the Attorney General.

2. Impact if Collective Bargaining not Completed by June 2003

Mr. Aburano stated that he has updated the memorandum on the "Impact if Collective Bargaining Not Completed by June 2003". The Attorney General requested more research to be done and made some changes. Trustee Radcliffe asked if the changes are substantive. Mr. Aburano stated that the main point, what happens in the case of an impasse, has not changed. Mr. Aburano stated that one change is that he is less certain that the legislature could get involved and as a practical matter he doubts that they would get involved. The AG wanted him to look at the warning that if there was a strike there might be a cut-off of employer contributions. That discussion is now expanded but the conclusions are vague because there is not much case law in that area. Public comments were received regarding the scenarios described in the AG's memorandum, i.e., (1) the status quo being maintained, (2) unilateral implementation of the employers' last best offer, and (3) the employees paying 100% until a contract is ratified. Further discussion held by the Trustees and staff on the different scenarios. Trustee Lewis stated she is not satisfied and is concerned about this issue because employer contributions are now different - before it was by percentage and now it is a dollar amount. Mr. Aburano said that he did find a couple of cases and that the more likely scenario is that the status quo is based on a dollar amount rather than a percentage. Mr. Aburano stated that because there is no definitive decision in Hawaii anything is possible. However, in the absence of a strike, the more likely scenarios are either maintenance of the status quo or a unilateral implementation of the employers' last best offer. Mr. Aburano discussed his research regarding the possibility of an employer cutting off contributions in the event of an impasse or strike. Trustee Lewis asked what vehicle is there to guarantee the employers' contributions because she feels that it is her fiduciary responsibility to ensure that benefits are affordable to the beneficiaries. Mr. Aburano responded that he does not know if there is any vehicle likely to guarantee the employers' contributions. Mr. Aburano discussed the possibility of a suit being brought if there was an unfair labor practice. Further discussion by the Trustees, staff, and public on affordability of contributions and the roles of the Trustees. Trustee Lewis said that the issues of financial responsibility and affordability need to be made known to all parties and that the Board has a fiduciary responsibility to the beneficiaries.

C. BENEFITS CONSULTANT

Garner Bulletin – February 2003

Overview by Mr. Garner regarding the Garner bulletin for February 2003 (see bulletin).

V. UNFINISHED BUSINESS: None

VI. NEW BUSINESS

A. Election of New Chair or Interim Chair

There being no objections, this item was deferred.

There being no objections by the Trustees, the meeting recessed at 12:50 p.m. and will reconvene on Thursday, March 13, 2003 at 11:30 a.m.

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

March 10, 2003 Minutes

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Documents Distributed:

1. 2003 Open Enrollment Period Printing and Delivery Timetable dated 3/10/03. (1 page)
2. Projected DPO/SSA Open Enrollment Training dated 3/10/03. (1 page)
3. Projected Open Enrollment Sessions dated 3/10/03. (1 page)
4. Letter from Melvin Higa regarding the Withdrawal of his Letters dated 4/4/03. (1 page)
5. Letter from Charles Khim regarding his Letters dated 3/5/03. (2 pages)
6. EUTF Office Space dated 3/10/03. (1 page)
7. EUTF Proposed Telephone System dated 3/10/03. (6 pages)
8. 2003 ETUF Bill Status dated 3/10/03. (5 pages)
9. Yamamoto vs. Miyahira Complaint & Summons filed 2/26/03. (10 pages)
10. Garner Bulletin – February 2003. (2 pages)
11. EUTF-HSTA Comparisons dated 2/27/03 & 3/10/03. (7 pages)
12. EUTF Benefit Plan Recommendations dated 3/10/03. (7 pages)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
RECONVENED ON Thursday, March 13, 2003

TRUSTEES PRESENT

Ms. Audrey Hidano, Vice-Chairperson
Ms. Joan Lewis, Secretary-Treasurer
Mr. Bob Awana (arrived at 11:41 am)
Mr. Gerald Machida
Ms. Kathryn Matayoshi

Mr. Neal Miyahira
Mr. Will Miyake
Mr. Dayton Nakanelua
Mr. John Radcliffe

TRUSTEES ABSENT

Mr. Davis Yogi

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. H. Mark Fukuhara, 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. Nani Crowell, HSTA MBC
Ms. Alana Deppe-Mariota, Kaiser Permanente
Ms. Elaine Fujiwara, HDS
Ms. Grace Ing, HSTA-Retired
Mr. Rick Jackson, MDX Hawaii
Mr. Tracy Matsumoto, ChiroPlan Hawaii
Mr. Maurice Morita, HSTA
Mr. Michael Moss, HMSA
Mr. Gordon Murakami, Royal State

Ms. Karen Muronaka, HSRTA
Ms. Celeste Nip, HFFA
Mr. Tom Pickard, Retiree
Ms. Rod Tam, HMSA
Mr. Robert Thomas, SHOPO
Mr. Justin Wong, HSTA-Retired
Mr. George Yamamoto, HGEA-Retirees
Ms. Amy Yasuda, UH
Ms. Lilia Yu Lum, Royal State

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 11:37 a.m. by Trustee Audrey Hidano, Vice-Chairperson, in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Monday, March 13, 2003.

VI. B. Final terms and conditions of health benefits plans and group life insurance plans and awards of contracts, to be effective July 1, 2003, under RFP 03-001.

Insurance Plans

Ms. Reagan clarified that there had not been a limitation by Royal State on the number of people who had to enroll. Ms. Reagan stated that none of the life insurance proposals had originally put in any kind of provision regarding the number of people enrolled. A written clarification

was submitted by Aetna that they will hold their rates for actives even if union groups pulled out.

EUTF Plan Recommendations

Ms. Reagan stated that corrections were made to change the word "supplemental" to "dual coverage". On page 3 of the prescription drug recommendations, it is clarified that the dual coverage prescription drug plan is not a co-pay but a benefit amount (see updated handouts).

Proposed Rates

Overview by Ms. Reagan regarding the proposed rates for actives. Discussion held by Trustees and Consultant regarding the percentage increase or costs for second year. Ms. Reagan stated that the HMSA option for 2nd year for actives with family is 14.7%. Discussion held by Trustees and consultant regarding bumping the dual coverage rate to 60%.

MOTION was made that the Board authorize the consultant to go back to the carrier to bump the amount to 60% for dual coverage. (Miyake/Lewis) After discussion held by the Trustees, the motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Overview by Ms. Reagan regarding the proposed rates for retirees. Discussion held by Trustees and consultant regarding keeping the rates down. Ms. Reagan stated that there are a lot of factors on what goes into a rate. She added that the numbers are close to what they want and that the EUTF does not want to generate a surplus or deficit at this time. Discussion held by the Trustees and consultant regarding the "cap" for retirees and going to the legislature to increase the "cap" or reduce benefits.

MOTION was made that the Board authorize the EUTF to support the legislative bill that allows the "cap" for retirees to be raised retroactive to July 1, 2002, because the intent was that the retirees not pay for benefits. (Lewis/Miyake) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

There being no objections by the Trustees, the Administrator is authorized to submit testimony regarding the bill on the "cap" and send a copy to the Trustees.

Discussion held by Trustees, deputy attorney general, and public regarding the Erie County case and the impact if a single unit pulled out from the EUTF. Trustee Lewis stated that there would be an impact on the rates but the extent is not known at this time. The consultant will work with the deputy attorney general and HMSA regarding the second year rates for retirees.

Discussion held by Trustees, deputy attorney general, and public regarding the timing of releasing the rates to the public.

MOTION was made that the Board adopt the plans, rates, and to release the rates to the public. (Matayoshi/Radcliffe) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

The consultant will submit a final copy of the rates with revisions to the Trustees.

MOTION was made that the Board release the Attorney General's memorandum on the "Impact if Collective Bargaining Not Completed by June 2003" dated March 10, 2003 to the public. (Miyake/Lewis) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Trustee Awana stated that Governor Lingle has granted the 2-hour leave for employees to attend the open enrollment sessions. The Administrator will send request for leave to the counties.

VII. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES: None

VIII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

Board meeting scheduled for Wednesday, March 18, 2003, 9:00 a.m., Leiopapa A Kamehameha Building, room 405.

IX. ADJOURNMENT

MOTION was made to adjourn the regular meeting. (Matayoshi/Miyake) The motion was passed unanimously. (Employer trustees-4/Employee-Beneficiary trustees-5)

The meeting was adjourned at 12:20 p.m.

Respectfully submitted,

/s/

Katherine Thomason, Secretary-Treasurer

APPROVED on June 15, 2006.