

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Thursday, June 28, 2007

TRUSTEES PRESENT

Mr. Nelson Befitel, Vice Chairperson  
Ms. Elizabeth Ho  
Mr. George Kahooanohano, Secretary-Treasurer  
Mr. Gerald Machida  
Mr. John Radcliffe  
Mr. Stanley Shiraki  
Ms. Katherine Thomason

TRUSTEES ABSENT

Ms. Marie Laderta, Chairperson

ATTORNEY

Mr. Brian Aburano, 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-Garner, Consultant  
Ms. Donna Tonaki

OTHERS PRESENT

Ms. Lynette Arakawa, HDS  
Mr. Bryan Aycock, Aon  
Mr. Russ Barber, Humana  
Ms. Sandra Benevides, Kaiser Permanente  
Ms. Monalisa Delos Reyes, HealthNet  
Ms. Monica Engle, VSP  
Mr. Mark Fukuhara, Aon  
Ms. Venus Gabuyo, MBAH  
Mr. Rob Harkins, Coventry Health  
Ms. Gabriele Heide, Health Net  
Ms. Donna Higashi, HSTA-Retired  
Ms. Leslie Huffman, The Standard  
Mr. Rick Jackson, MDX Hawaii  
Mr. John Jacobs, HMSA  
Ms. Cora Takato, C&C Honolulu  
Ms. Ruth Kim, HSRTA  
Ms. Wanda Kimura, B&F  
Mr. Justin Kindy, Aon  
Mr. Davis Kobayashi, AIS  
Ms. Doreen Kuroda, DHRD  
Mr. Allan Kuwahara, C&C Honolulu  
Ms. Margaret Lawrence, HMAA  
Mr. Marty Magill, NMHC  
Ms. Mary Mitchell, NMHC  
Mr. Maurice Morita, HSTA  
Mr. Michael Moss, HMSA  
Ms. Gertrude Nitta, HGEA-R  
Mr. Chris Odo, C&C Honolulu  
Mr. Bill Sandkuhler, Aon  
Mr. Rod Shinno, HSTA-MBC  
Ms. Debra Smith, Humana  
Mr. Rod Tam, HMSA  
Ms. Barbara White, Humana  
Mr. George Yamamoto, HGEA-Retirees

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:00 a.m. by Trustee Nelson Befitel, Vice chairperson, in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Thursday, June 28, 2007.

Vice-chair Befitel announced that Trustee Katherine Thomason will be resigning effective June 30, 2007. Trustee Thomason served on the Board for 4 years and was Chair of the Board for 2004-05. During the time she was Chair the idea of self funding was started and today, for the most part, the EUTF has moved to self funded plans. Vice-chair Befitel thanked Trustee Thomason for her dedicated leadership and good luck in her future endeavors.

Trustee Thomason stated that she is very excited and proud of the EUTF, at where the EUTF is today, that the EUTF staff and everyone on the Board was wonderful to work with, and how they completely changed how business is done.

## II. APPROVAL OF MINUTES

The Board reviewed the draft minutes for May 17, 2007.

There being no objections by the Trustees, the minutes for May 17, 2007 were approved as circulated.

## III. OTHER REPORTS

### A. Administrator

#### 1. June Update (see written report)

##### a. PeopleSoft Support

Overview by Ms. Shiroma regarding PeopleSoft support (see Administrator's report).

##### b. Oracle/PeopleSoft License and Service Agreement

Overview by Ms. Shiroma regarding the Oracle/PeopleSoft license and service agreement and Oracle's claim that additional license fees are due. The EUTF disagrees with Oracle's interpretation regarding the additional license fees. A letter was sent to Oracle and no response has been received (see Administrator's report).

##### c. IT Support by Gartner, Inc.

Overview by Ms. Shiroma regarding the RFP timeline (see Administrator's report). Mr. Williams stated that he was pushing very hard to get the RFP ready at this meeting but did not want to rush it because the EUTF needs to nail down the technical requirements. The RFP will be presented at the next Board meeting.

##### d. EUTF Facilities - Renovation

Mr. Nishihara reported that the carpets were installed and modulars removed and put back last weekend. The majority of the work is done and the renovations should be done in the next week (see Administrator's report).

##### e. Office Closure and EUTF Training on June 22, 2007

Mr. Nishihara reported that due to the contractors working in the operations area, the EUTF office was closed on Friday, June 22, 2007 and staff training was held on that day. Announcements were sent to all the State, counties, and union agencies informing them of the office closure (see Administrator's report).

f. Staffing

Mr. Nishihara reported that two customer services representatives (CSR) with government experience were hired and a third CSR will start work on July 2, 2007. Interviews are being held for an Accounting Clerk (see Administrator's report).

g. Implementation of FY 08 Benefit Plans

Overview by Mr. Williams regarding the implementation of FY 08 benefit plans (see Administrator's report). Mr. Williams reported that since the report was written, in addition to NMHC, Royal State, and Standard, we have signed contracts with HMSA and VSP. The others are still outstanding. It is not in the report but the Vice-chair mentioned the transition efforts and transfer of files between the EUTF, various carriers, and plan administrators and that there are a few glitches but for the most part it is going smoothly. However, whenever announcements/mailings are sent out and despite all the mailings they have previously received, a lot of EUTF participants seem to be surprised by the announcements/mailings. For example, NMHC recently sent out their ID cards for the prescription drug plan and despite all the prior mailings about the change in drug plans, many EUTF participants were surprised that HMSA was not going to be their drug plan. As a consequence, the EUTF has been inundated with calls. Despite the EUTF's best efforts of communication this will occur and everyone is asked to bear with the EUTF. Unfortunately, in terms of phone service, many calls could not get through because of the high volume of calls.

h. Appeals Process for Self Funded Plans

Mr. Williams reported that the EUTF prepared and transmitted the attached draft Memorandum of Agreement (MOA) to DCCA and today a final version was distributed to the Trustees with some changes. Mr. Williams stated that one change from the last meeting was that Director Reifurth said that their whole approach in funding their department is to be self-sufficient and fee based. Even though the workload will be light, Director Reifurth felt obligated to charge a fee. In the final MOA, a fee of \$40 an hour is charged which is very reasonable. Mr. Williams stated that the appeals handled by the DCCA would be for all self-funded plans. Discussion held by Trustees and staff regarding who will hold hearings. Mr. Williams stated that DCCA will hold the hearings and submit their findings to the Board for a final decision.

MOTION was made for the Board to approve the proposed MOA with the DCCA Office of Administrative Hearings to handle appeals under self-funded plans. (Thomason/Ho) The motion passed unanimously. (Employer Trustees-3/Employee-beneficiary Trustees-4)

Overview by Mr. Williams regarding the criteria for emergency appeals. Mr. Williams stated that the Board cannot delegate this responsibility and needs to decide these appeals. Discussion held by Trustees and staff regarding what kinds of cases emergency appeals would address. Mr. Williams stated that it would be for situations where HMA or HMSA believes that under our benefits a service or procedure is not covered and the person or doctor thinks it should be covered and it involves a life or death situation or someone in extreme pain.

MOTION was made for the Board to approve the proposed interim process for handling of emergency appeals, subject to consideration and adoption as a proposed rule at a later date. (Radcliffe/Thomason) The motion passed unanimously. (Employer Trustees-3/Employee-beneficiary Trustees-4)

i. 2007 Open Enrollment

Overview by Mr. Nishihara regarding the 2007 open enrollment (see Administrator's and Enrollment reports). Mr. Garner commented that even though enrollment is low in some of the new plans, EUTF probably will have more satisfied participants because those people can make a choice. Mr. Garner recommends that Trustees consider having separate open enrollment periods for actives and retirees because the volumes of phone calls overwhelm the EUTF staff at this time of year. Given the way some of the Medicare program works having retiree plans change January 1<sup>st</sup> might be more logical. Discussion held by Trustees, staff, and public regarding how many participants exercised their option to make changes.

j. GASB 43/45

Overview by Ms. Tonaki regarding GASB 43/45 (see Administrator's report). Mr. Williams referred the Trustees to the letter to the Attorney General regarding the request for a written legal opinion. Mr. Williams stated that under the "Statement of the Relevant Facts" it gives a good review of where the EUTF is with GASB. Paragraph 5 of the summary explains the Contractually Required Contribution (CRC) and the attachment has further information. Basically, for a cost sharing plan, the ultimate responsibility for funding is with the Trust Fund and if that is the case the Trust Fund needs to decide what it is going to bill the employers. That is where they get the concept called CRC. Ms. Tonaki mentioned there is another classification called the agent plan, under an agent plan each employer has it own valuation, there is no CRC because there is an ARC for each employer and the burden of

funding stays with the employer and does not shift to the Trust Fund. Mr. Williams stated there is a letter from the Director of Finance requesting that the Board hold up on a decision for a couple of months while the State considers its approach to GASB (both the accounting and funding issues). The foundational issue is what happens if the employers contribute different amounts. If total pre-funding for the State is \$100 million and the State pays \$100 million and the county's total pre-funding is \$20 million and they only pay \$10 million and they do that over a period of time can we track those payments separately and then later on when we have to use the money out of those buckets can we use the money the State contributed to pay for State costs and the money that the county contributed to pay the county costs and can the one that is short be billed for the shortage. The basic answer is under a cost sharing plan it needs to be pooled so it is causing some reassessment of whether EUTF should be a cost sharing plan. Either way the EUTF is a trust under GASB rules and the law that was passed is in place but there is growing concern about attributing the contributions to the employers. Mr. Williams suggested that the Board hold off until September and give the State time to formulate its approach. Discussion was held by Trustees and staff regarding if there is a down side to holding off and if the Auditors report is okay. Mr. Williams stated that there is no down side just uncertainty from some employers, but they do have the data for planning purposes.

There being no objections by the Trustees, this item will be postponed until the September 2007 Board meeting.

k. Imputed Income for Employees with Domestic Partners

Mr. Williams stated that there are two letters from the tax attorney that are attorney-client confidential communications and will be discussed in Executive Session. Mr. Williams stated that the letter in the Trustees' packet should not have been distributed and the correct one was distributed to the Trustees today.

l. Employers Contributions for BU07 (UHPA)

Overview by Mr. Williams regarding employer contributions for BU07 (see Administrator's report).

m. Benefits Consultant Contract and Transition

Mr. Williams reported that the benefits consultant contract was signed. An update will be presented in Executive Session. Mr. Williams introduced the Aon consultants that will be working with the EUTF: Mark Fukuhara, Justin Kindy, Bryan Aycock, and Bill Sandkuhler. The lead consultant, Tim Nimmer was here the past two days but already had a meeting scheduled today with a major client. Mr. Nimmer will be present from July. Transitional meetings were held with Aon. Aon, Mr. Aburano, and

Mr. Williams participated in the open enrollment debriefing. The EUTF will be working with Aon to get them up to speed as quickly as possible. They are available if any items come up that the Board would want advice. Lorraine Nakasone sometimes will be working on our account. Mr. Williams and Vice-chair Befitel welcomed Aon on board and indicated that the Board is looking forward to working with them.

n. Diabetes Pilot Program - DCCA

Mr. Williams stated that Mr. Gary Allen, Executive Director of the Hawaii Business Health Council (HBHC) is out of state but a report on the diabetes pilot program is in the Trustees packet (see Administrator's and HBHC's reports). The diabetes pilot program has worked well for the three employees that are enrolled. Discussion will be held in detail at the next Board meeting. The Trustees will need to decide on renewal and later decide if they want to expand. Mr. Williams did attend a meeting with the HBHC. Mr. Williams stated that other private employers are enthusiastic about this program and looking to expand to other programs. Mr. Williams told Mr. Allen that we need to just deal with the diabetes program first. Mr. Williams also will be talking with Director Reifurth because this was put in place when Mark Recktenwald was Director.

B. DEPUTY ATTORNEY GENERAL

1. Everson Lawsuit

Mr. Aburano reported that they have submitted an order to the court which all the parties have agreed to which stays that lawsuit and calls for a referral of issues involved in Plaintiffs' claims to the EUTF for review. In connection with that, there has been a petition filed with the EUTF by the Plaintiffs/Petitioners that will be discussed later today by the Board. Mr. Aburano suggested that the Petitioner's counsel attend today's meeting at 11:00 a.m.

2. Awakuni Lawsuit

Mr. Aburano reported that oral argument on the appeal will be heard at the Hawaii Supreme Court on July 11, 2007.

3. Imputed Income for Domestic Partners

Mr. Aburano reported that some draft legal advice from tax counsel will be discussed in Executive Session.

4. Status of Contracts for FY 08 Benefit Plans

Mr. Aburano reported, as the Administrator mentioned, we have contracts signed by most of the carriers and administrators. There are two contracts (HMA and HDS) not signed that may have issues. HDS issues will be discussed in Executive Session.

C. BENEFITS CONSULTANT

June Report

1. Financial Reports

Overview by Ms. Reagan-Garner regarding the financial reports (see Consultant's report). Ms. Reagan-Garner stated that corrected copies of the financial reports were distributed to the Trustees today.

2. Enrollment Report

Overview by Ms. Reagan-Garner regarding the enrollment report (see Consultant's report).

3. Performance Standards

Ms. Reagan-Garner reported that all carriers reported meeting the performance standards except Aetna. Any penalty will be assessed based on their average performance for the year (see Consultant's report).

4. Self Funding

Overview by Ms. Reagan-Garner regarding self funding (see Consultant's report).

5. Benefit Exceptions

Overview by Mr. Garner regarding benefit exceptions and recommendation that the Board delegate authority to the Administrator to make benefit exceptions (see Consultant's report).

MOTION was made for the Board to delegate authority to the Administrator to make benefit exceptions, giving weight to the recommendations of third party administrators and, when appropriate, the Attorney General's office or consultant, and including the discretion to refer cases to the Board of Trustees for a decision. (Radcliffe/Shiraki) The motion passed unanimously. (Employer Trustees-3/Employee-beneficiary Trustees-4)

6. VSP Diabetic Eyecare Pilot Program

Overview by Mr. Garner regarding the VSP diabetic eyecare pilot program and recommendation that the EUTF implement the program (see consultant's report and VSP letter).

MOTION was made for the Board to approve the proposed VSP program for diabetics as outlined in the letter from VSP and recommended by the Consultant. (Kahooahano/Radcliffe) The motion passed unanimously. (Employer Trustees-3/Employee-beneficiary Trustees-4)

7. Audit of HMSA Medical Claims by Segal  
Mr. Garner summarized comments on some of the recommendations in the audit of HMSA medical claims and referred it to Aon to review (see Consultant's report).
8. Garner Consulting Bulletin – May/June 2007  
Overview by Mr. Garner regarding the bulletins. No action required (see Consultant's report).
9. Farewell  
Mr. Garner expressed his appreciation of working with the Trustees, EUTF staff, Deputy Attorney General, insurers, and participants (see Consultant's report).

MOTION was made for the Board to commend Garner Consulting for a job well done for the years they have represented the EUTF. (Radcliffe/Kahoohanohano) The motion passed unanimously. (Employer Trustees-3/Employee-beneficiary Trustees-4)

Vice-chair Befitel thanked Garner Consulting for all the hard work and dedication and what they have done in basically helping build the EUTF, steering the Board in the right direction

Trustee Shiraki stated that Garner's last year was a lot better than the first year. He thanked them for being very instrumental in building the EUTF and added that Aon has a tough act to follow.

Mr. Williams stated that he was on the other side of the table as a Trustee and now working with them as an administrator. He echoed everyone's comments and said that it is not always apparent even to Trustees and members of the public how much real dedication that they put into their work and the EUTF. Garner sacrificed a lot and whatever it took they were there or willing to do it. The EUTF staff appreciates it and the participants do not know about it but they benefited.

Ms. Reagan-Garner stated she appreciates all the comments but there is the staff in California that supported their efforts here. Mr. Garner will relay the message to his staff of how they are appreciated too.

Trustee Thomason said when she came in as Chair she was like a deer caught in headlights and Garner was there for her, on the phone long distance, by e-mail, in her office training her; Garner stuck by her and she learned quickly because Garner spent so much of their own time helping her. She personally thanked Garner for working with her closely.



Mr. John Jacobs, on behalf of HMSA, also thanked Garner Consulting and staff.

Ms. Lynette Arakawa, on behalf of HDS, thanked John, Gerti, and staff for always being open and forthright.

Mr. George Yamamoto, on behalf of retirees, thanked Garner Consulting for giving the right directions and support.

Ms. Ruth Kim stated that they may be old but not totally unaware and she appreciates Garner Consulting for their help and assistance.

D. Financial Report as of April 30, 2007

Overview by Ms. Tonaki regarding the financial report as of April 30, 2007.

Ms. Tonaki reported that cash balances were due to retroactive payments. There are no other significant changes (see written reports).

E. Carrier's Reports

1. HDS

Written report submitted.

2. HMSA

Written report submitted. Mr. Tam echoed the administrator regarding the high volume of calls also received by HMSA due to the prescription drug changes. HMSA I.D. cards will be mailed today.

3. Kaiser Permanente

No report submitted. Ms. Benevides reported that Alana Deppe-Mariota's last day with Kaiser was June 1, 2007. She stated that files will be updated by this Friday. Kaiser will also inform members of their benefits.

4. MBAH

No report submitted.

5. Royal State Insurance

No report submitted.

6. VSP

Written report submitted. Ms. Engle thanked the Board for approving the VSP diabetic pilot program.

IV. UNFINISHED BUSINESS

A. GASB 43 – FY08 Contractually Required Contribution

This item was addressed during the Administrator's report.

V. NEW BUSINESS

A. Delegation of Authority to Make Benefit Exceptions to Administrator.

This item was addressed during the Consultant's report.

- B. VSP Diabetic Pilot Program for Diabetics  
This item was addressed during the Consultant's report.
- C. Contract Terms for FY08 Benefit Plans  
This item will be addressed in Executive Session.
- D. FY08 Board Meeting Schedule  
Overview by Mr. Williams regarding the proposed meeting schedule for 2007-08.

MOTION was made for the Board to approve the proposed meeting schedule for 2007-08. (Ho/Radcliffe) The motion passed unanimously. (Employer Trustees-3/Employee-beneficiary Trustees-4)

- E. Election of Officers and Appointment of Committees (FY08)

MOTION was made to nominate Trustee Gerald Machida for chairperson.  
(Radcliffe/Kahoohanohano)

MOTION was made to close nomination. (Ho/Thomason). The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Trustee Gerald Machida was elected chairperson by virtue of being the only trustee nominated for that position.

MOTION was made to nominate Trustee George Kahoohanohano for vice-chairperson. (Ho/Radcliffe)

MOTION was made to close nomination. (Thomason/Radcliffe). The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Trustee George Kahoohanohano was elected vice-chairperson by virtue of being the only trustee nominated for that position.

MOTION was made to nominate Trustee Marie Laderta for secretary-treasurer.  
(Shiraki/Radcliffe)

MOTION was made to close nomination. (Radcliffe/Thomason). The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Trustee Marie Laderta was elected secretary-treasurer by virtue of being the only trustee nominated for that position.

MOTION was made for the Board to accept the same slate of Administrative/Benefits/Investigative Committee members as follows:

Administrative Committee Members – George Kahoohanohano, Marie Laderta, Gerald Machida, Stanley Shiraki; Benefits Committee Members – Nelson Befitel, Elizabeth Ho, John Radcliffe, Stanley Shiraki; Investigative Committee Members – Gerald Machida, John Radcliffe, Stanley Shiraki. Administrator will consult with Trustee Reifurth to serve on Benefits and Investigative Committee. (Ho/Radcliffe) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

F. Appeals Process for Self Funded Plans

This item was addressed during the Administrator's report.

G. Appeals Process for Self Funded Plans – Emergency Appeals

This item was addressed during the Administrator's report.

H. Petition for Declaratory Ruling and Request for Hearing

This item will be addressed in Executive Session.

Recessed at 10:05 a.m. and Reconvened at 10:22 a.m.

I. Medicare Advantage Plan – Initiate Study and Planning by Administrator and Consultant

Overview by Mr. Garner regarding Medicare advantage plans. Mr. Garner stated that private fee for service plan in particular and Medicare advantage in general has taken off the last couple of years because the funding has changed. The benchmarks are set above the expected Medicare claims in the county (referred to as the differential). The government is trying to encourage these plans and actually paying the insurance carriers who offer these plans more than they would expect to pay under traditional Parts A and B. In general, rural counties have a higher differential than urban counties and it is hard to understand why this is so. CMS has announced suspension of individual policies and marketing efforts due to misleading statements. The suspension does not apply to group plans. Discussion held by Trustees, staff, consultant, and public regarding private fee for service, political motivation to privatize, 65C+ program. Mr. Garner explained the 65+ program. Mr. Williams clarified that this is only an information session that a Trustee requested and the other Trustees agreed upon.

Presentations:

- (1) Aetna, Esther Marrero (see presentation).
- (2) Coventry Health Care, Robert Harkins (see presentation and brochure).
- (3) Healthnet, Gabriela Heide (see brochure).
- (4) Humana, Barbara White; Debbie Smith; Russ Barber; Christine Go (see brochure).
- (5) United Health Care, Rick Jackson (see presentation).

Mr. Williams stated that he does not have any recommendation. The subject is on the agenda as an item under New Business if any of the Trustees want to give direction or make a motion. Mr. Garner stated that it is worth further study. Discussion held by Trustees and public regarding the concerns of Medicare advantage plans and privatization and whether the Board should look into the advantages/disadvantages.

MOTION was made for the Board to approve to continue its present medical plans with Medicare retirees until next procurement cycle. (Ho/Thomason) After discussion by the Trustees, the motion failed. (Employer Trustees-2 yes-Befitel, Thomason; 1 no-Shiraki/Employee-beneficiary Trustees-4 yes-Ho, Kahoochanohano, Machida, Radcliffe)

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES  
A. Medicare Advantage Plan – Presentations by Aetna, Coventry Health Care, Healthnet, Humana, United Healthcare

Mr. George Yamamoto expressed his concerns that every time there are changes it is supposed to be seamless but that is not the case. He inquired about the NMHC prescription cards. Mr. Garner stated that the cards were sent. If someone does not have their card they may access the internet and print a temporary card or call NMHC directly using the toll-free number that was provided in open enrollment guides.

Mr. Paul Alston, Attorney for Petitioners, stated that they want to proceed with the hearing on the questions on July 28, 2007 rather than deferring. Mr. Aburano stated that since he already argued against Petitioner's position in court he will not be advising the Board directly on how to handle the scheduling of the declaratory order proceeding. Russell Suzuki, another deputy attorney general, will be advising the Board on what they can or can not do as far as scheduling the declaratory order proceeding. Mr. Aburano stated that he had been talking to Maren Calvert (an attorney in Mr. Alston's office) on scheduling. There were two questions in the May 15, 2007 letter and two additional questions in the June 5, 2007 letter, and there was a preference to have both sets of questions heard at once. Mr. Alston stated that it is Mr. Aburano's preference not theirs. Mr. Aburano stated that Ms. Calvert mentioned it was her preference also but if they want to change their minds its okay. Mr. Aburano stated that he will accommodate either hearing both questions on one date or addressing the first two questions initially and having something later for the other two questions. Mr. Williams stated that it is his understanding that there is a 90-day deadline from the May 15, 2007 letter. Mr. Aburano stated that was correct and the due date for the EUTF's decision on the first two questions would be sometime in August – around August 15, 2007. Mr. Alston stated that they are not wed to having the hearing on July 28, 2007; if another date before the August 15 deadline works they are happy to accommodate. Vice-chair Befitel stated the Board will take that into consideration.

VII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

Board meeting is scheduled for Wednesday, July 25, 2007, 9:00 a.m., EUTF conference room, 15<sup>th</sup> floor.

VIII. EXECUTIVE SESSION

MOTION was made to go into Executive Session at 11:36 a.m. for the reasons stated on the agenda. (Ho/Radcliffe) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Trustee Radcliffe left at 11:36 a.m.

There being no objections by the Trustees, the Executive Session adjourned at 12:42 p.m.

The Chair reported that the Board has taken the following actions in Executive Session:

1. Approval of May 17, 2007 Executive Session minutes.
2. Schedule for Petition for Declaratory Ruling.
3. Discussion held on contract items.

IX. ADJOURNMENT

There being no objections by the Trustees, the meeting adjourned at 12:45 p.m.

Respectfully submitted,

/s/

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Marie Laderta, Secretary-Treasurer

APPROVED ON July 25, 2007.

Documents Distributed:

1. Draft Minutes for May 17, 2007. (11 pages)
2. Memorandum to BOT from Administrator regarding June Administrator Report dated 6/19/07. (5 pages)
3. EUTF Plan Enrollment Effective 7/01/07 for Actives and Retirees. (2 pages)
4. Hawaii Business Health Council Update on Diabetes Pilot Program by Gary W. Allen. (13 pages)
5. Letter to BOT from Garner Consulting regarding June Benefit Consultant Report dated 6/19/07. (2 pages)
6. EUTF Claims Experience Summary for the 2006-2007 Plan Year Six Months Ended 12/31/06-Estimates. (1 page).
7. Active and Retired Employees Surplus (Loss) as of 12/31/2006. (2 pages)

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Board of Trustees Meeting

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8. EUTF HMSA Summary of Financial Operations by Bargaining Unit for Services Incurred 7/01/06-3/31/07. (4 pages)
9. EUTF HDS Plan Financial Performance Report by Bargaining Unit for the Period 7/01/06-3/31/07. (1 page)
10. EUTF Financial Operations Report – VSP Plan Year by Bargaining Unit 7/01/06-3/31/07. (1 page)
11. EUTF 2006 Plan Year Reserves Versus Actual Run-Out Claims Through 3/31/07 dated 6/15/07. (1 page).
12. Active and Retirees Enrollment as of 3/31/07. (2 pages)
13. Aetna – Report on Performance Standards dated 6/15/07. (1 page)
14. EUTF Estimates of Reserves Needed for Self-Funding dated 6/15/07. (1 page)
15. EUTF Estimate of Reserves on July 1, 2007. (1 page)
16. Garner Consulting Bulletins for May 2007. (3 pages)
17. Garner Consulting Bulletins for June 2007. (3 pages)
18. EUTF Statement of Net Assets (Unaudited) dated 6/12/07. (1 page)
19. EUTF Combined Statement of Revenues and Expenses-Budget & Actual Comparison 10 Months Ended 4/30/07 (Unaudited) dated 6/12/07. (1 page)
20. EUTF Statement of Cash Flows 10 Months Ended 4/30/07 (Unaudited) dated 6/12/07. (1 page)
21. Letter from DOF regarding OPEB dated 6/19/07. (1 page)
22. EUTF Board of Trustees FY 08 Meeting Schedule dated 5/24/07. (1 page)
23. Presentation by Aetna regarding Medicare Advantage dated 6/26/07. (15 pages)
24. 4 Brochures given by Humana.
25. Presentation by Coventry Health Care dated 6/28/07. (11 pages)
26. Brochure given by Coventry Health Care.
27. Brochure given by Health Net.
28. Presentation by United Healthcare dated 6/28/07. (8 pages)
29. Resignation Letter from Trustee Katherine Thomason dated 6/11/07. (1 page)
30. Appointment Letter for Lawrence Reifurth from Governor dated 5/03/07. (1 page)
31. Pacific Business News Article "Private sector needs to press health-care reform dated 6/11/07. (2 pages)
32. Star Bulletin Article "Hanabusa reorganizes Senate panels dated 5/31/07. (3 pages)
33. Honolulu Advertiser Article "Hee's out, Taniguchi's in at Senate Judiciary. (1 page)
34. Honolulu Advertiser Article "Walgreens to challenge Longs in Hawaii. (2 pages)
35. The High Road – June 2007. (2 pages)
36. Approved Minutes for March 28, 2007. (11 pages)