

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Tuesday, June 25, 2019

TRUSTEES PRESENT

Mr. Roderick Becker, Chairperson	Mr. Gordon Murakami
Mr. Christian Fern, Secretary-Treasurer	Ms. Celeste Nip
Ms. Linda Currivan Musto	Mr. Clifford Uwaine (arrived 9:26 am)
Mr. Damien Elefante	Mr. Ryker Wada
Ms. Laurel Johnston	

TRUSTEES ABSENT

Ms. Audrey Hidano, Vice Chairperson

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Thomas Morrison, Benefits Consultant
Ms. Maria Quartero	Mr. Raymond Kan
Ms. Amy Cheung	Ms. Lara Nitta
Ms. Bonny Kahalewai	Mr. Kali Puuohau

OTHERS PRESENT

Ms. Cheryl Archer, USAble Life	Ms. Mae Kishimoto, HSTA-R
Ms. Dina Aun, CVS Health	Ms. Angela Kohls, Kaiser
Ms. Stacia Baek, HMSA	Mr. Brandon Kumabe, HMSA
Ms. Sandra Benevides, CVS Health	Mr. Kenneth Lee, Kaiser
Ms. Alison Brown-Carvalho, HDS	Mr. Christopher Letoto, HMSA
Ms. Richelle Cardwell, HMSA	Ms. Lynn Lin, Segal Consulting
Mr. Thomas England, Kaiser	Ms. Denise Mercil, Securian
Ms. May Goya, Kaiser	Dr. Chris Miura, Kaiser
Ms. Susan Goya, HGEA-R	Mr. Vaughn Tokashiki, HSTA-R
Mr. Galen Haneda, HMSA	Mr. Troy Tomita, Kaiser
Ms. Keiko Hiraoka, Lilly	Ms. Jennifer Woo, C&C, DHR
Ms. Vanelle Hirayasu, HMA	Mr. Johnny Wu, Segal Consulting
Ms. Jerolyn Hu, HMSA	Ms. Scott Yamaguchi, Kaiser
Ms. Monica Kim, VSP	Ms. Joanna Yip, Segal Consulting

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:00 a.m. by Chairperson Roderick Becker, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, June 25, 2019.

II. MINUTES – May 21, 2019.

The Board reviewed the draft minutes of May 21, 2019.

MOTION was made and seconded to approve the minutes of May 21, 2019 as circulated. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

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III. EXECUTIVE SESSION

MOTION was made and seconded for the Board to move into Executive Session at 9:04 a.m. (Elefante/Murakami) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

The regular meeting reconvened from Executive Session at 10:28 a.m.

Chairperson Becker reported that the Board performed the following in Executive Session:

1. Approved Executive Session minutes of May 21, 2019.
2. Approved participation in two antitrust litigation matters.
3. Denied an appeal to waive collection of employer premium contributions.
4. Approved retiree premiums for HMSA, Kaiser, HDS, VSP, and Securian effective January 1, 2020.

IV. NEW BUSINESS

A. Prescription Drug plan Retiree Rates Effective January 1, 2020 – Caremark and SilverScript

Mr. Tom Morrison summarized the 2020 retiree prescription drug rates.

Mr. Derek Mizuno noted that although there is a 15.6% increase for January 1, 2020 on top of a 15.4% increase on January 1, 2019 for the EUTF Medicare retiree premiums, the self premium of \$220.00 effective January 1, 2020 is lower than the self premium of \$225.62 on January 1, 2013.

MOTION was made and seconded to approve the proposed prescription drug plan retiree premiums effective January 1, 2020. (Murakami/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

B. Audited Financial Statements – June 30, 2010

Mr. Mizuno reported that the EUTF's audited financial statements are now required by Governmental Accounting Standard Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* to include the Agency Fund in the OPEB Trust financial statements for the fiscal year ending June 30, 2019. There will be no separate Agency Fund financial statement as part of the audited financial statements. This change is a result of the requirement under Act 268, Session Laws of Hawaii (SLH) 2013 that the State and counties contribute 100% of the annual required contribution (ARC) for the fiscal year ending June 30, 2019. Mr. Mizuno also informed the Board that staff will continue to 1) maintain the Agency Fund for internal purposes and the monthly internal financial statements and 2) move funds between the operating cash and excess funds accounts, as needed. In addition, staff will continue to only move funds from operating cash and/or excess funds accounts to the long-term OPEB Trust account at the Board's direction.

V. OLD BUSINESS

A. 2019 EUTF Related Legislation

Mr. Mizuno summarized the status of the EUTF related bills. The Governor signed the EUTF Board's bill, SB1204, SD2, HD1, CD1, into law as Act 51, SLH 2019. The other bills in final form do not significantly impact the EUTF.

B. Proposed EUTF Administrative Rule Changes

Mr. Mizuno reported that since SB1204 has become law, Act 51, SLH 2019, the Administrative Committee's recommendation to approve the proposed EUTF Administrative Rule changes are being presented for approval. Mr. Mizuno summarized the Administrative Committee Report dated May 14, 2019.

MOTION was made and seconded to approve the Administrative Committee's recommendation to approve the proposed EUTF Administrative Rules revisions. (Uwaine/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

VI. REPORTS

A. Segal

1. 2020 Updates to Medicare Drug Coverage

B. Administrator

1. Meetings with legislators and unions
2. Public engagement

C. EUTF Managers', Program Specialist and Benefits Audit Specialist Reports

Chairperson Becker informed the Board that the EUTF Managers' and Specialists' reports were included the Board packet and asked if there were any questions. There was no discussion or questions.

1. Member Services Branch (MSB)

- a. MSB Data
- b. MSB Staffing Update
- c. 2020 Retiree Employee Open Enrollment (OE)
- d. Carrier Reports

2. Information Systems (IS)

- a. EUTF New Benefits Administration System (BAS) Project
- b. V3 Benefits Administration System (V3 BAS) Modified Phase II (Employer File Feed)
- c. HIC to MBI Number Conversion
- d. Medicare Part B Reimbursement Amounts for 2017
- e. Vacancies
- f. Enrollment Counts

3. EUTF Benefits Audit Specialist Report

- a. Audits Currently in Progress
- b. Additional Audits to be Initiated by 12/31/19
- c. Completed and Recurring Audits

4. EUTF Program Specialist Report

- a. Worksite wellness
- b. Preventive health
- c. Chronic disease management

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5. Financial Services Branch (FSB)
  - a. FSB Performance Data
  - b. Management Letter Corrective Action Plan Status
  - c. EUTF Collections
  - d. FSB Staffing Update
  - e. Financial Statements as of April 30, 2019
  
- D. Carrier Reports

Chairperson Becker informed the Board that the carrier reports were in the Board packet and asked if there were any questions or comments.

  1. CVS Caremark

Trustee Currivan Musto commended CVS for their \$100,000 grant to Queen's Care Coalition and care packages for their homeless patients, and the launching of "Tested to be Trusted" program for all vitamins and supplements.
  2. SilverScript
  3. Hawaii Dental Service (HDS)
  4. Hawaii Mainland Administrators (HMA)
  
  5. Hawaii Medical Service Association (HMSA)

Trustee Currivan Musto commended HMSA for 11 community events in May.
  6. Kaiser Health Foundation

Trustee Currivan Musto commended Kaiser for their community workday at Kapolei Elementary School, the Pharmacy Program honored for excellence, and earning its eighth straight A in the Spring 2019 Leapfrog Hospital Safety Grade.
  7. Securian
  8. USAbLe Life
  9. Vision Service Plan (VSP)

VII. NEXT MEETING DATE

The next Board meeting is on Tuesday, July 30, 2019 at 9:00 a.m. – Benefits Committee Report.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:51 a.m. (Wada/Johnston) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

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Christian Fern, Secretary-Treasurer

APPROVED on July 30, 2019.

Documents Distributed:

1. Draft Board Minutes of 5/21/19. (6 pages)
2. Memorandum to BOT from Segal Regarding 2020 Retiree Prescription Drug Rates dated 6/25/19. (2 pages)
3. Memorandum to BOT from Administrator Regarding Audited Financial Statements- June 30, 2019 dated 6/14/19. (8 pages)
4. Legislative Update dated 6/19/19. (1 page)
5. HB1307, SD2, CD1 – Relating to an Office of Administrative Hearings. (6 pages)
6. Memorandum to BOT from Administrative Committee Regarding 5/14/19 Administrative Committee Meeting dated 5/14/19. (2 pages)
7. Redline Version of EUTF Proposed Administrative Rules. (40 pages)
8. Segal Consulting “Update” on Medicare Part D Drug Benefit Program Changes for 2020 dated 5/24/19. (3 pages)
9. Administrators Monthly Report to the Board from May 2019-June 2019 dated 6/14/19. (1 page)
10. Memorandum to BOT from Member Services Branch Manager Regarding May 2019-June 2019 Member Services Operations Report dated 6/14/19. (6 pages)
11. Memorandum to BOT from Information Systems Chief Regarding May 2019-June 2019 Information Systems (IS) Operations Report dated 6/14/19. (11 pages)
12. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding May 2019-June 2019 EUTF Benefits Audit Specialist Report dated 6/14/19. (2 pages)
13. Memorandum to Administrator from EUTF Program Specialist Regarding May 2019-June 2019 EUTF Program Specialist Report dated 6/14/19. (3 pages)
14. Memorandum to BOT from Financial Management Officer Regarding May 2019-June 2019 Financial Services Branch (FSB) Report dated 6/14/19. (15 pages)
15. CVS Caremark Monthly Carrier Report for May 2019 dated 6/7/19. (7 pages)
16. SilverScript Monthly Carrier Report for May 2019 dated 6/3/19. (4 pages)
17. HDS Monthly Carrier Report for May 2019 dated 6/7/19. (2 pages)
18. HMA Monthly Carrier Report for May 2019 dated 6/1/19. (2 pages)
19. HMSA Monthly Carrier Report for May 2019 dated 6/15/19. (3 pages)
20. Kaiser Monthly Carrier Report for May 2019 dated 6/10/19. (2 pages)
21. Securian Financial Monthly Carrier Report for May 2019 dated 6/10/19. (1 page)
22. USABLE Life Monthly Carrier Report for May 2019 dated 6/3/19. (2 pages)
21. VSP Monthly Carrier Report for May 2019 dated 6/7/19. (2 pages)