

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, September 24, 2019

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson

Ms. Celeste Nip, Vice-Chairperson

Ms. Laurel Johnston, Secretary-Treasurer

Mr. Roderick Becker (arrived 9:08 a.m.)

Ms. Linda Currivan Musto

Mr. Damien Elefante

Ms. Audrey Hidano

Mr. Gordon Murakami

Mr. Clifford Uwaine (arrived 9:26 a.m.)

Mr. Ryker Wada

TRUSTEES ABSENT

None

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator

Ms. Donna Tonaki, Assistant Administrator

Ms. Maria Quartero

Ms. Amy Cheung

Mr. Thomas Morrison, Benefits Consultant

Ms. Linda Green

Ms. Bonny Kahalewai

Mr. Raymond Kan

OTHERS PRESENT

Mr. Gareth Azama, HMSA

Ms. Sokhadina Aun, CVS Health

Ms. Sandra Benevides, CVS Health

Ms. Carol Bernal, HMA

Mr. Ty Bowers, CVS Health

Mr. Thomas England, Kaiser

Mr. Tom Delaney, HDS

Ms. Elaine Fujiwara, HDS

Mr. Galen Haneda, HMSA

Ms. Keiko Hiraoka, Lilly

Ms. Monica Kim, VSP

Mr. Brandon Kumabe, HMSA

Mr. Ken Lee, Kaiser

Mr. Christopher Letoto, HMSA

Mr. Lawrence Lau, HDS

Ms. Denise Mercil, Securian

Mr. Kurt Neuenfeld, CVS Health

Mr. Mark Nishimura, HMSA

Mr. Clesson Pang, HDS

Dr. Stefanie Park, HMSA

Mr. Vaughn Tokashiki, HSTA-R

Mr. Troy Tomita, Kaiser

Ms. Jennifer Woo, C&C Hnl-DHR

Ms. Darlene Yamada, DHRD-EAO

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:00 a.m. by Chairperson Christian Fern, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, September 24, 2019.

II. MINUTES – August 27, 2019.

The Board reviewed the draft minutes of August 27, 2019.

Mr. Vaughn Tokashiki, HSTA-R, asked about the prescription drug plan in regards to prior authorizations and other coverage matters.

Trustee Roderick Becker arrived at 9:08 a.m.

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MOTION was made and seconded to approve the minutes of August 27, 2019 as circulated. (Murakami/Elefante) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

III. NEW BUSINESS – Education: EUTF Fiduciary Liability Insurance – Marsh LLC  
Mr. Neal Nakashima, Marsh LLC, presented information on the fiduciary liability, in general and specific to the EUTF policy, and on the State’s cyber liability insurance. Trustee Clifford Uwayne entered the meeting at 9:26 a.m. during the presentation.

IV. EXECUTIVE SESSION

MOTION was made and seconded for the Board to move into Executive Session at 9:43 a.m. (Nip/Elefante) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

The regular meeting recessed at 10:18 a.m. and reconvened at 10:23 a.m.

V. BENEFITS COMMITTEE REPORT

A. HDS Dental Proposed Plan Changes

Mr. Derek Mizuno summarized the Benefits Committee report dated September 23, 2019.

1. Deep sedation/general anesthesia or IV sedation – cover four 15-minute increments of deep sedation/general anesthesia or IV sedation an increase from the current coverage of two 15-minute increments. There is no recommendation from the Benefits Committee. In Executive Session, HDS provided pricing for coverage of three 15-minute increments as requested by Trustee Audrey Hidano.
2. Silver Diamine Fluoride (SDF) – cover SDF for up to six teeth per date of service and allow restorations after 30 days of the SDF treatment an increase/change from the current coverage of SDF for up to four teeth per date of service and allowance of restorations after 90 days of the SDF treatment. The Benefits Committee is recommending this benefit change.

MOTION was made and seconded to approve the Benefits Committee recommendation to cover two additional teeth of Silver Diamine Fluoride per date of service and allow coverage of restorations if placed after 30 days of Silver Diamine Fluoride for the EUTF and HSTA VB and the HSTA VB supplemental active employee HDS dental plans effective July 1, 2020. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

3. Composite (white) fillings on back teeth – cover composite (white) fillings on back teeth (bicuspid and molars). There is no recommendation from the Benefits Committee.
4. Occlusal/night mouth guards
5. Athletic/sport mouth guards

Cover occlusal/night (every five years) and athletic/sport (ages 18 and under every 24 months) mouth guards. Currently, there is no coverage under the EUTF and HSTA VB plans. There is no recommendation from the Benefits Committee.

MOTION was made and seconded to cover occlusal/night mouth guards every five years and athletic/sport mouth guards ages 18 and under every 24 months for the EUTF and HSTA VB (80% coverage) and the HSTA VB supplemental (45% coverage) active employee HDS dental plans effective July 1, 2020.

(Uwaine/Currivan Musto) The motion failed. (Employer Trustees-4 NO Elefante, Hidano, Johnston, Wada 1-ABSTAIN Becker/Employee-Beneficiary Trustees-5 YES Currivan Musto, Fern, Murakami, Nip, Uwaine)

MOTION was made and seconded to cover athletic/sport mouth guards ages 18 and under every 24 months for the EUTF and HSTA VB (80% coverage) and the HSTA VB supplemental (45% coverage) active employee HDS dental plans effective July 1, 2020. (Johnston/Hidano) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

B. VSP Vision Proposed Plan Changes

Mr. Mizuno summarized the Benefits Committee report dated September 23, 2019.

1. Retail frame allowance – increase the retail frame allowance from \$120 to \$150 every other year. The Benefits Committee is recommending this benefit change.

MOTION was made and seconded to approve the Benefit Committee recommendation to increase the retail frame allowance from \$120 to \$150 every other year for the EUTF and HSTA VB active employee VSP vision plans effective July 1, 2020. (Currivan Musto/Nip) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

2. Contact lens and fitting and evaluation allowance – separate the fitting and evaluation charge from the contact lens allowance and cap the member copayment at \$60 with no charge to the plan. The member would then be able to use the full \$120 benefit separately. The Benefits Committee is recommending this benefit change.

MOTION was made and seconded to approve the Benefits Committee recommendation to separate the contact lens fitting and evaluation from the contact lens allowance and cap the member copayment at \$60 with no amounts billed to the Plan for the EUTF and HSTA VB active employee VSP vision plans effective July 1, 2020. (Currivan Musto/Murakami) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

3. Contact lens allowance – increase the contact lens allowance from \$120 to \$130. The Benefits Committee is recommending this benefit change.

MOTION was made and seconded to approve the Benefits Committee recommendation to increase the annual contact lens allowance from \$120 to \$130 for the EUTF and HSTA VB active employee VSP vision plans effective July 1, 2020.

(Nip/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

C. Kaiser Medical and Prescription Drug Proposed Plan Changes

Mr. Mizuno reported that the Benefits Committee deferred this item for presentation at the October 15, 2019 Board meeting.

D. HMSA Medical Proposed Plan Changes

Mr. Mizuno summarized the Benefits Committee report dated September 23, 2019.

1. In vitro fertilization and artificial insemination – the Benefits Committee deferred these items for presentation at the October 15, 2019 Board meeting.
2. Diagnosis and treatment for infertility – currently this benefit is excluded however providers charge such services to other medical codes. There is no recommendation from the Benefits Committee.

MOTION was made and seconded to add coverage of the diagnosis and treatment of infertility to the EUTF and HSTA VB active employee HMSA medical plans effective July 1, 2020. (Uwaine/Currivan Musto) The motion failed. (Employer Trustees-5 NO Becker, Elefante, Hidano, Johnston, Wada/Employee-Beneficiary Trustees-5 YES Currivan Musto, Fern, Murakami, Nip, Uwaine)

3. Digital breast tomosynthesis – addition of coverage of 3D digital breast tomosynthesis. The Benefits Committee is recommending this benefit change.

Mr. Tokashiki, HSTA-R, supported this change on behalf of the HSTA-R.

MOTION was made and seconded to approve the Benefits Committee recommendation to add coverage of digital breast tomosynthesis to the EUTF and HSTA VB active employee HMSA medical plans effective July 1, 2020. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

4. Maternity reimbursement – change the reimbursement of maternity services. There is no recommendation from the Benefits Committee.
5. Air ambulance – expand air ambulance coverage from Hawaii to the continental U.S. for critically ill patients in limited situations. The Benefits Committee is recommending this benefit change.

Mr. Tokashiki, HSTA-R, asked whether the coverage was for a round trip or one-way. Mr. Mizuno responded that it is one-way only.

MOTION was made and seconded to approve the Benefits Committee recommendation to expand air ambulance coverage from Hawaii to the continental United States for critical care treatment when commercial travel is not an option because of the need for life supporting equipment and/or medical support for the EUTF and HSTA VB active employee HMSA medical plans effective July 1, 2020.

(Currivan Musto/Becker) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

6. Language changes – EUTF staff and Segal have agreed to the language changes in the HMSA Guide to Benefits except the change related to oral contraceptive counseling which will be presented at the October 15, 2019 Board meeting.

E. CVS Self-Funded Prescription Drug Proposed Plan Changes

These items were deferred at the September 23, 2019 Benefits Committee meeting.

Mr. Kurt Neuenfeld and Ms. Sandra Benevides, CVS, presented the proposed changes.

1. 75/25 PPO Plan Annual Maximum Out-of-Pocket

Similar to prior years, CVS recommended an increase in the annual maximum out-of-pocket limit to \$3,150 single and \$6,300 family to bring it closer to the other self-funded drug plan annual maximum out-of-pocket limit. The 75/25 limit can only be increased when the federal combined limit for medical and prescription drug is increased.

MOTION was made and seconded to increase the EUTF CVS self-funded active employee prescription drug plan bundled with the 75/25 PPO plan annual maximum out-of-pocket limit to \$3,150 single and \$6,300 family effective January 1, 2021.

(Becker/Johnston) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

2. Pre-Exposure Prophylaxis for the Prevention of HIV Infection

Coverage of pre-exposure prophylaxis for the prevention of HIV infection at no copayment will be required under federal law effective for the plan year beginning July 1, 2020.

MOTION was made and seconded to cover pre-exposure prophylaxis (PREP) for the prevention of HIV infection medication at \$0 copayment in accordance with federal law for the EUTF and HSTA VB CVS self-funded active employee prescription drug plans effective July 1, 2020. (Currivan Musto/Murakami) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

3. Orilissa Prior Authorization

CVS recommended prior authorization criteria to ensure that Orilissa, prescribed for the treatment of endometriosis pain, is used in accordance with product labeling, FDA guidance, standards of medical practice, evidence-based drug information, and/or published guidelines.

MOTION was made and seconded to add prior authorization criteria on Orilissa with grandfathering to the EUTF CVS self-funded active employee and non-Medicare retiree prescription drug plans effective April 1, 2020. (Becker/Johnston) The motion failed. (Employer Trustees-5 YES Becker, Elefante, Hidano, Johnston, Wada/Employee-Beneficiary Trustees-4 NO Fern, Murakami, Nip, Uwaine, 1 ABSTAIN Currivan Musto)

4. 510K Medical Device Prior Authorization

CVS recommended prior authorization criteria for artificial saliva and dermatological/wound dressing to combat recent price inflation by having members initially use lower cost alternatives.

MOTION was made and seconded to add prior authorization criteria on 510K medical devices with grandfathering to the EUTF CVS self-funded active employee and non-Medicare retiree prescription drug plans effective April 1, 2020. (Johnston/Becker) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

5. Plan Enhancement for Non-Covered Drugs (PENCD)

CVS recommended PENCD which is a program that would provide EUTF members discounts on drugs that are not covered by the formulary such as for allergies, ulcers, weight loss, fertility, erectile dysfunction, and smoking cessation without cost to the EUTF. Discounts could be up to 75% and are 40% on average. Mr. Mizuno noted that other CVS clients in Hawaii have not adopted this program and he is concerned that there may be long-term implications of adopting this program as revenue would be reduced for local pharmacies, specifically those in rural areas.

6. Pharmacy Advisor Counseling

CVS recommended addition of the Pharmacy Advisor Counseling program to the EUTF active employee and non-Medicare retiree programs for an additional cost. The program would be in addition to the current Pharmacy Advisor Support program which is at no additional cost. The counseling program provides more touch points to the member and more live phone calls and in person pharmacist counseling to improve medication adherence and to close gaps in care. EUTF staff and the Board noted concerns about the availability of the pharmacist, how to validate the return on investment guarantee since it is based on a model that assumes absenteeism savings, and the good EUTF medication adherence numbers.

MOTION was made and seconded to add the CVS Pharmacy Advisor Counseling program to the EUTF CVS self-funded active employee and non-Medicare retiree prescription drug plans effective July 1, 2020. (Johnston/Currivan Musto) The motion failed. (Employer Trustees-5 NO Becker, Elefante, Hidano, Johnston, Wada/Employee-Beneficiary Trustees-5 NO Currivan Musto, Fern, Murakami, Nip, Uwaine)

VI. REPORTS

A. Segal

1. 2020 Trend Survey
2. June 30, 2019 IBNR Calculation – Supplemental Medical and Prescription Drug Plan

Mr. Tom Morrison summarized agenda items 1-2.

B. Administrator

1. Meetings with legislators and unions
2. Public engagement

- C. EUTF Managers', Program Specialist and Benefits Audit Specialist Reports
  - 1. Member Services Branch (MSB)
    - a. MSB Data
    - b. MSB Staffing Update
    - c. Outreach & Training
    - 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. Retiree Open Enrollment for 2020
    - e. ISB Staffing Update
    - 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
  - 5. Financial Services Branch (FSB)
    - a. FSB Performance Data
    - b. Management Letter Corrective Action Plan Status
    - c. EUTF Collections
    - d. FSB Staffing Update
    - e. 2019 Financial Audit
    - f. Financial Statements as of June 30, 2019
- D. Carrier Reports
  - 1. CVS Caremark

Trustee Linda Currivan Musto raised concerns about the recent recall of Zantac and the generic and questioned why CVS does not test prescription drugs but instead only tests vitamins and supplements. Mr. Mizuno requested that CVS randomly test the prescription drugs and only do business with manufacturers who consistently provide suitable products and facilitate change in the industry. Ms. Benevides said that she would bring this to management.
  - 2. SilverScript

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3. Hawaii Dental Service (HDS)  
Trustee Currivan Musto commended HDS for its sponsorship of the Honolulu Family Magazine's Cover Kids Event.
4. Hawaii Mainland Administrators (HMA)
5. Hawaii Medical Service Association (HMSA)  
Trustee Currivan Musto commended HMSA for their participation in a number of community activities.
6. Kaiser Health Foundation  
Trustee Currivan Musto commended Kaiser for community health beverage grant.
7. Securian
8. Vision Service Plan (VSP)

The meeting was recessed at 12:20 p.m. and reconvened from Executive Session at 1:05 p.m.

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

1. Approved Executive Session minutes of August 27, 2019.
2. Approved the commitment of funds to a private equity fund, subject to contract negotiation.

VII. NEXT MEETING DATE

The next Board meeting is on Tuesday, October 15, 2019 at 9:00 a.m. – EUTF Fiduciary Liability Insurance Renewal.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 1:06 p.m. (Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

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Christian Fern, Secretary-Treasurer

APPROVED on October 15, 2019.

Documents Distributed:

1. Draft Board Minutes of 8/27/19. (6 pages)
2. Fiduciary Liability Insurance Basics by Marsh & McLennan. (2 pages)
3. EUTF Policy Overview by Marsh & McLennan. (8 pages)
4. Summary of Cyber Reporting Process by Marsh & McLennan dated 9/24/19. (6 pages)



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5. Memorandum to BOT from Benefits Committee Regarding September 23, 2019 Benefits Committee Report dated 9/23/19. (7 pages)
6. Memorandum to BOT from Segal Consulting Regarding June 30, 2019 Supplemental Medical IBNR Calculation dated 9/24/19. (2 pages)
7. Administrators Monthly Report to the Board from August 2019-September 2019 dated 9/13/19. (1 page)
8. Memorandum to BOT from Member Services Branch Manager Regarding August 2019-September 2019 Member Services Operations Report dated 9/13/19. (6 pages)
9. Memorandum to BOT from Information Systems Chief Regarding August 2019-September 2019 Information Systems (IS) Operations Report dated 9/13/19. (11 pages)
10. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding August 2019-September 2019 EUTF Benefits Audit Specialist Report dated 9/13/19. (2 pages)
11. Memorandum to Administrator from EUTF Program Specialist Regarding August 2019-September 2019 EUTF Program Specialist Report dated 9/13/19. (7 pages)
12. Memorandum to BOT from Financial Management Officer Regarding August 2019-September 2019 Financial Services Branch (FSB) Report dated 9/13/19. (15 pages)
13. CVS Caremark Monthly Carrier Report for August 2019 dated 9/10/19. (8 pages)
14. SilverScript Monthly Carrier Report for August 2019 dated 9/6/19. (3 pages)
15. HDS Monthly Carrier Report for August 2019 dated 9/9/19. (2 pages)
16. HMA Monthly Carrier Report for August 2019 dated 9/9/19. (2 pages)
17. HMSA Monthly Carrier Report for August 2019 dated 9/13/19. (3 pages)
18. Kaiser Monthly Carrier Report for August 2019 dated 9/10/19. (2 pages)
19. Securian Financial Monthly Carrier Report for August 2019 dated 9/10/19. (1 page)
20. VSP Monthly Carrier Report for August 2019 dated 9/10/19. (2 pages)