

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
Friday, August 23, 2019

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson
Ms. Celeste Nip

Mr. Clifford Uwaine (arrived 9:05 am)
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. Raymond Kan
Ms. Jessica McDonald
Ms. Lara Nitta

OTHERS PRESENT

Albert Vargas, Budget Chief, House Committee on Finance

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 9:01 a.m. by Trustee Audrey Hidano, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Friday, August 23, 2019.

II. MINUTES – May 14, 2019

The Committee reviewed the draft minutes of May 14, 2019.

MOTION was made and seconded to approve the minutes of May 14, 2019 as circulated. (Nip/Wada) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

III. NEW BUSINESS

A. 2020 Legislative Proposals

Trustee Clifford Uwaine entered the meeting at 9:05 a.m. Mr. Derek Mizuno summarized the four legislative proposals included on the memorandum dated August 19, 2019 – A) Elimination of the Limitation on Employer Contributions for Benefit Enhancements after Plan Year 2004-2005, B) Mandatory Requirement for New Retirees on or After July 1, 2020 to Pay Any Required Premiums Through an ERS Pension or a Financial Institution (ACH) Deduction, C) Limit Employer Contributions to Premiums for a Lower Benefit Plan for New Hires After June 30, 2020, and D) Elimination of Medicare Part B Reimbursements for Spouses of New Hires on or After

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Administrative Committee Meeting

August 23, 2019 Minutes

Page 2

July 1, 2020. Trustee Uwayne expressed his strong concerns about reducing the employees' benefits. Discussion was held by the Trustees and EUTF staff how proposal B will reduce banking fees, reduce EUTF staff administrative workloads and help the retirees avoid cancellation of their health benefits due to non-payment. In addition, Mr. Mizuno requested that items A, C and D be deferred so more discussion can take place.

MOTION was made and seconded to recommend to the Board approval of the 2020 legislative proposal to mandate that new retirees pay required premiums through Employee Retirement System (ERS) pension or financial institution electronic deduction. (Wada/Nip) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

B. Fiscal Year 2020-2021 Supplemental Budget

Ms. Donna Tonaki summarized the proposed supplemental budget request for fiscal year 2020-2021 in the amount of \$400,000 for data conversion and cleansing services for the new benefits administration system procurement.

MOTION was made and seconded to recommend to the Board approval of the supplemental budget request for fiscal year 2020-2021 in the amount of \$400,000 for data conversion and cleansing for the new benefits administration system. (Wada/Nip) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

IV. OLD BUSINESS

A. Employers and Employee-Organizations' Responses to Proposed EUTF Administrative Rule Changes

Ms. Tonaki reported that three employers and three employee-organizations provided responses to the proposed EUTF Administrative Rules (Rules) changes with no comments. Mr. Mizuno reported that the Rules require that the proposed Rules changes be presented to the Board.

V. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:35 a.m. (Nip/Wada) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

The regular meeting reconvened from Executive Session at 9:38 a.m.

The Chairperson reported that the Executive Session minutes of May 14, 2019 were approved during executive session.

VI. NEXT MEETING

November 2019 – Reports to Legislature (EUTF Annual Report and Progress on Conversion of Exempt Employees to Civil Service), Progress on Strategic Plan 1/1/18 – 6/30/19 and Personnel. Ms. Maria Quartero will poll the Trustees for available dates.

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Administrative Committee Meeting

August 23, 2019 Minutes

Page 3

VII. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 9:38 a.m. (Nip/Wada) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-2)

Respectfully submitted,

/s/

Audrey Hidano, Chairperson

APPROVED on November 14, 2019.

DOCUMENTS DISTRIBUTED:

1. Draft Administrative Committee Minutes of 5/14/19. (3 pages)
2. Memorandum to EUTF Administrative Committee from Administrator Regarding 2020 Legislative Proposals dated 8/19/19. (17 pages)
3. Memorandum to EUTF Administrative Committee from Assistant Administrator Regarding Fiscal Year 2020-2021 Supplemental Budget dated 8/15/19. (8 pages)
4. Memorandum to EUTF Administrative Committee from Assistant Administrator Regarding Proposed EUTF Administrative Rule Changes dated 8/12/19. (9 pages)