

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, October 15, 2019

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson	Ms. Audrey Hidano
Ms. Laurel Johnston, Secretary-Treasurer	Mr. Gordon Murakami
Mr. Roderick Becker	Mr. Clifford Uwaine (arrived 9:13 a.m.)
Ms. Linda Currivan Musto	Mr. Ryker Wada

TRUSTEES ABSENT

Ms. Celeste Nip, Vice-Chairperson	Mr. Damien Elefante
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ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Thomas Morrison, Benefits Consultant
Ms. Donna Tonaki, Assistant Administrator	Ms. Bonny Kahalewai
Ms. Maria Quartero	Mr. Raymond Kan
Ms. Amy Cheung	Ms. Lara Nitta
Ms. Linda Green	

OTHERS PRESENT

Mr. Gareth Azama, HMSA	Ms. Vanelle Hirayasu, HMA
Ms. Stacia Baek, HMSA	Ms. Mae Kishimoto, HSTA-R
Ms. Irene Bayudan, VSP	Ms. Angela Kohls, Kaiser
Ms. Sandra Benevides, CVS Health	Mr. Brandon Kumabe, HMSA
Ms. Cheryl Byron, CVS Health	Mr. Christopher Letoto, HMSA
Mr. Su Chai, Kaiser	Ms. Joleen Sato, HMSA
Mr. Thomas England, Kaiser	Mr. Vaughn Tokashiki, HSTA-R
Ms. Elaine Fujiwara, HDS	Mr. Troy Tomita, Kaiser
Mr. Galen Haneda, HMSA	Ms. Mahie Trask, HGEA
Ms. Keiko Hiraoka, Lilly	

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, October 15, 2019.

Mr. Derek Mizuno reported that this is Trustee Gordon Murakami's last meeting as he is resigning from the Board after the meeting. Mr. Mizuno and the Board thanked Trustee Murakami for his distinguished service.

II. MINUTES – September 24, 2019.

The Board reviewed the draft minutes of September 24, 2019.

MOTION was made and seconded to approve the minutes of September 24, 2019 as circulated. (Murakami/Currivan Musto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

III. EXECUTIVE SESSION

MOTION was made and seconded for the Board to move into Executive Session at 9:04 a.m. (Curriuan Musto/Johnston) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 9:20 a.m.

IV. OLD BUSINESS

A. HMSA Medical Proposed Plan Changes

Mr. Mizuno described the proposed change to the HMSA active employee medical plan in vitro fertilization (IVF) benefit as proposed by HMSA to comply with the Affordable Care Act and another IVF option requested by EUTF staff. In addition, Mr. Mizuno described the artificial insemination benefit that could be added together with the IVF change or separately. Mr. Mizuno noted that these benefits were deferred from the September Benefits Committee and Board meetings to provide the deputy attorney general with time to research whether the Board was required under the Affordable Care Act to change the benefit. The deputy attorney general provided his opinion to the Board in Executive Session.

B. Kaiser Medical and Prescription Drug Proposed Plan Changes

Mr. Mizuno presented the three options for a hearing aid benefit for the EUTF active employees noting that the EUTF Kaiser plans are the only EUTF plans without a hearing aid benefit. Mr. Mizuno noted that the third option (40% coverage) is the Kaiser Hawaii standard book of business benefit. This item was deferred from the September Benefits Committee and Board meetings to provide EUTF staff and Segal time to work with Kaiser on the pricing of the options. EUTF staff and Segal have determined that the pricing is reasonable.

MOTION was made and seconded to add 40% coverage based on the lesser of the cost of the hearing aid or the eligible charge of one hearing aid per ear every 36 months to the EUTF active employee Kaiser Comprehensive and Standard plans effective July 1, 2020. (Curriuan Musto/Becker) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

V. REPORTS

A. Segal

1. Report on Value Added Plans

Mr. Tom Morrison summarized his memorandum dated October 15, 2019 regarding Value Based Insurance Design (VBID) plans noting that research on the effectiveness of such plans is mixed, the difficulty in administering such plans and HMSA and Kaiser's experience with such plans (i.e. difficulty in administering and uncertainty whether the incentives were changing members' lifestyles). Based on their research, Segal is not recommending the VBID plans at this time but the EUTF should continue to monitor future studies on their effectiveness.

B. Administrator

1. Meetings with legislators and unions
2. Public engagement

Mr. Mizuno reported that he is meeting with leadership at the Legislature and is about half way through his meeting schedule.

- 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
 - e. 2020 Active Employee Open Enrollment
 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
Trustee Audrey Hidano thanked Ms. Linda Green for coordinating the Wellness Fair at DAGS and DLNR on September 27, 2019. The event was well received by the employees.
 - 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 July 31, 2019
- D. Carrier Reports
1. CVS Caremark
 2. SilverScript
 3. Hawaii Dental Service (HDS)

Trustee Linda Currivan Musto commended HDS for their participation in the Young at Heart Expo.

4. Hawaii Mainland Administrators (HMA)
5. Hawaii Medical Service Association (HMSA)
Trustee commended HMSA for their participation in the Young at Heart Expo and other local community events.
6. Kaiser Health Foundation
7. Securian
8. Vision Service Plan (VSP)

The meeting was recessed at 9:38 a.m. and reconvened from Executive Session at 9:55 a.m.

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

1. The Executive Session minutes of September 24, 2019.
2. An amendment to the CVS and SilverScript pharmacy benefit manager contracts.

VI. NEXT MEETING DATE

Tuesday, November 19, 2019, 9:00 a.m. – Administrative, Benefits and Investment Committee Reports

VII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 9:56 a.m. (Uwaine/Johnston) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Christian Fern, Secretary-Treasurer

APPROVED on November 19, 2019.

Documents Distributed:

1. Draft Board Minutes of September 24, 2019. (9 pages)
2. Memorandum to BOT from Segal Consulting Regarding Value Based Insurance Design dated October 15, 2019. (2 pages)
3. Memorandum to BOT from Administrator Regarding September-October 2019 Administrator's Report dated October 4, 2019. (1 page)
4. Memorandum to BOT from Member Services Branch Manager Regarding September-October 2019 Member Services Operations Report dated October 4, 2019. (6 pages)
5. Memorandum to BOT from Information Systems Chief Regarding September-October 2019 Information Systems (IS) Operations Report dated October 4, 2019. (11 pages)
6. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding September-

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- October 2019 EUTF Benefits Audit Specialist Report dated October 4, 2019. (2 pages)
7. Memorandum to Administrator from EUTF Program Specialist Regarding September-October 2019 EUTF Program Specialist Report dated October 4, 2019. (9 pages)
 8. Memorandum to BOT from Financial Management Officer Regarding September-October 2019 Financial Services Branch (FSB) Report dated October 4, 2019. (15 pages)
 9. CVS Caremark Monthly Carrier Report for September 2019 dated October 9, 2019. (16 pages)
 10. SilverScript Monthly Carrier Report for September 2019 dated October 9, 2019. (3 pages)
 11. HDS Monthly Carrier Report for September 2019 dated October 9, 2019. (2 pages)
 12. HMA Monthly Carrier Report for September 2019 dated October 9, 2019. (2 pages)
 13. HMSA Monthly Carrier Report for September 2019 dated October 15, 2019. (4 pages)
 14. Kaiser Monthly Carrier Report for September 2019 dated October 10, 2019. (2 pages)
 15. Securian Financial Monthly Carrier Report for September 2019 dated October 10, 2019. (1 page)
 16. VSP Monthly Carrier Report for September 2019 dated October 10, 2019. (2 pages)