

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, December 17, 2019

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson

Ms. Laurel Johnston, Secretary-Treasurer

Mr. Roderick Becker

Ms. Linda Currivan Musto

Mr. Damien Elefante

Ms. Audrey Hidano

Mr. Osa Tui

Mr. Clifford Uwaine

Mr. Ryker Wada

TRUSTEES ABSENT

Ms. Celeste Nip, Vice-Chairperson

ATTORNEY

Ms. Patricia Ohara, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator

Ms. Donna Tonaki, Assistant Administrator

Ms. Maria Quartero

Ms. Amy Cheung

Ms. Linda Green

Mr. Stephen Murphy, Benefits Consultant

Ms. Bonny Kahalewai

Mr. Raymond Kan

Ms. Heather McMahan

Ms. Lara Nitta

OTHERS PRESENT

Dr. Anthony Arnett, CVS Health

Ms. Stacia Baek, HMSA

Ms. Sandra Benevides, CVS Health

Mr. Ty Bowers, CVS Health

Ms. Cheryl Byron, CVS Health

Ms. Elaine Fujiwara, HDS

Mr. Galen Haneda, HMSA

Ms. Keiko Hiraoka, Lilly

Ms. Vanelle Hirayasu, HMA

Ms. Monica Kim, VSP

Ms. Mae Kishimoto, HSTA-R

Mr. Christopher Letoto, HMSA

Ms. Denise Mercil, Securian

Dr. Christopher Miura, Kaiser

Mr. Kurt Neuenfeld, CVS Health

Mr. Troy Tomita, Kaiser

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, December 17, 2019.

II. INTRODUCTION OF NEW TRUSTEE

Chairperson Fern introduced and welcomed new Trustee Osa Tui, Vice-President, Hawaii State Teachers Association (HSTA).

Mr. Derek Mizuno informed the Committee and public of the recent passing of longtime EUTF advisor, Mr. Thomas Morrison, Segal Consulting, and the significant contributions to the EUTF that he made over the years. The Committee paused for a moment of silence to remember Mr. Morrison. Since the funeral services already occurred, Trustee Clifford Uwaine recommended that the Board send a letter to Mr. Morrison's family offering condolences and informing them of what Mr. Morrison meant to the EUTF.

Mr. Mizuno also introduced Mr. Morrison's replacement, Mr. Steve Murphy. Mr. Murphy

provided his background and credentials.

III. MINUTES – November 19, 2019.

The Board reviewed the draft minutes of November 19, 2019. The draft minutes are amended as follows: (1) page 4, line 35 add “Mr. Morrison presented the proposed rates for the active employee self-funded prescription drug plans noting decreases of over 5% for EUTF plans and an increase of 11.5% for HSTA VB plans effective July 1, 2020.”

MOTION was made and seconded to approve the minutes of November 19, 2019, as amended. (Elefante/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

IV. BENEFITS COMMITTEE REPORT

- A. HMSA and Kaiser Coverage of Genetic Therapies
- B. CVS Advanced Control Specialty Formulary
- C. CVS Biosimilars and Generics
- D. CVS EUTF High Cost Multivitamins with Folic Acid Plan Options

Mr. Mizuno summarized the Benefits Committee Report dated December 16, 2019.

MOTION was made and seconded to approve the Benefits Committee’s recommendation to exclude all prescription multivitamins except prenatal and pediatric vitamins from the EUTF active employee, non-Medicare retiree and EGWP retiree wrap plans, excluding HSTA VB plans, effective April 1, 2020. (Currivan Musto/Uwaine) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

V. OLD BUSINESS

- A. Status Report on Claim Technologies, Inc. Claims Audit Reports – HMSA, Royal State Supplemental and USABLE Life Insurance Plans for Active Employees July 1, 2017 – June 30, 2018 and Retirees January 1, 2017 – December 31, 2017

Ms. Heather McMahan summarized her memorandum dated December 9, 2019 noting that the final matter with HMSA from the recently completed audit was resolved with HMSA refunding \$176,650 related to implantable devices covered at 100% instead of the selected plan’s coinsurance rate, all amounts due from the carriers have been received by the EUTF and USABLE has initiated payment to the two beneficiaries identified during the audit.

- B. Committee Assignments

Trustee Tui volunteered to fill the open positions on the Benefits Committee and Emergency Appeals Committee (alternate).

VI. NEW BUSINESS

- A. Board Meeting Schedule for Fiscal Year 2021

Mr. Mizuno discussed the proposed Board meeting schedule for fiscal year 2021 noting that it is subject to change.

VII. REPORTS

- A. Segal

- 1. Plan Performance Report through September 30, 2019

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2. Performance Guarantee Report through September 30, 2019
3. Public Sector Benefits Compliance News Update

4. Legislative Update

Mr. Steve Murphy reviewed items #1-4 above noting that in general claims are in line with expectations, the performance guarantee penalties have been paid, Medicare Part B premiums and other rates for 2020 are available and there is federal legislation tied to the federal budget that would eliminate the federal excise tax (Cadillac Tax) and ACA insurer fees. Mr. Murphy will keep the Board updated on these matters.

B. Administrator

1. Meetings with legislators and unions
2. Public engagement

3. IFEBP conference reports (October 20-23, 2019)

Mr. Mizuno reported that all meetings with key legislators and unions have been conducted except with the Speaker of the House (meeting is scheduled for December 20, 2019) and included in the Board materials are reports from the two EUTF staff persons who attended the IFEBP conference in October.

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 Modified Phase II (Employer File Feed)
 - c. HIC to MBI Number Conversion
 - d. ISB Staffing Update
 - e. Enrollment Counts
3. EUTF Benefits Audit Specialist Report
 - a. Audits Currently in Progress
 - b. Additional Audits to be Initiated by 6/30/20
 - 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 September 30, 2019

D. Carrier Reports

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1. CVS Caremark
2. SilverScript
3. Hawaii Dental Service (HDS)
4. Hawaii Mainland Administrators (HMA)
5. Hawaii Medical Service Association (HMSA)
6. Kaiser Health Foundation
7. Securian
8. Vision Service Plan (VSP)

VIII. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:31 a.m.

(Hidano/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

The regular meeting reconvened at 10:41 a.m.

IX. NEXT MEETING DATE

Monday, January 13, 2020, 9:00 a.m. – July 1, 2019 actuarial valuation and financial statement audit fiscal year ending June 30, 2019

X. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:41 a.m.

(Johnston/Currivan Musto) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Laurel Johnston, Secretary-Treasurer

APPROVED ON January 13, 2020

Documents Distributed:

1. Draft Board Minutes of November 19, 2019. (8 pages)
2. Report to BOT from Benefits Committee Regarding December 16, 2019 Benefits Committee Report dated December 16, 2019. (1 page)
3. Memorandum to BOT from EUTF Benefits Audit Specialist Regarding Status Report on Claim Technologies, Inc. Claims Audit Reports – HMSA, Royal State Supplemental, and USABLE Life Insurance Plans for Active Employees July 1, 2017-June 30, 2018 and Retiree January 1, 2017-December 31, 2017 dated December 9, 2019. (1 page)
4. EUTF Committee Assignments dated November 19, 2019. (1 page)
5. Memorandum to BOT from Administrator Regarding Board Meeting Schedule for Fiscal Year 2021. (2 pages)
6. EUTF Year to Date Contract Plan Experience Report Contract Year to Date through September 2019 by Segal dated December 17, 2019. (20 pages)
7. Segal Consulting “update” on Public Sector Benefits Compliance News dated December 6, 2019. (3 pages)

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8. Administrators Monthly Report to the Board from November 9, 2019-December 6, 2019 dated November 8, 2019. (5 pages)
9. Memorandum to BOT from Member Services Branch Manager Regarding November-December 2019 Member Services Operations Report dated December 6, 2019. (6 pages)
10. Memorandum to BOT from Information Systems Chief Regarding November-December 2019 Information Systems (IS) Operations Report dated December 6, 2019. (11 pages)
11. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding November-December 2019 EUTF Benefits Audit Specialist Report dated December 6, 2019. (2 pages)
12. Memorandum to Administrator from EUTF Program Specialist Regarding November-December 2019 EUTF Program Specialist Report dated December 6, 2019. (1 page)
13. Memorandum to BOT from Financial Management Officer Regarding November-December 2019 Financial Services Branch (FSB) Report dated December 6, 2019. (15 pages)
14. CVS Caremark Monthly Carrier Report for November 2019 dated December 9, 2019. (2 pages)
15. SilverScript Monthly Carrier Report for November 2019 dated December 6, 2019. (3 pages)
16. HDS Monthly Carrier Report for November 2019 dated December 10, 2019. (2 pages)
17. HMA Monthly Carrier Report for November 6 2019 dated December 6, 2019. (2 pages)
18. HMSA Monthly Carrier Report for November 2019 dated December 15, 2019. (4 pages)
19. Kaiser Monthly Carrier Report for November 2019 dated December 10, 2019. (2 pages)
20. Securian Financial Monthly Carrier Report for November 2019 dated December 10, 2019. (1 page)
21. VSP Monthly Carrier Report for November 2019 dated December 10, 2019. (2 pages)