

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Tuesday, June 23, 2020

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson (via video conference)	Ms. Jacqueline Ferguson-Miyamoto (via teleconference, joined at 9:13 a.m.)
Ms. Celeste Nip, Vice-Chairperson (via video conference, joined at 9:04 a.m.)	Ms. Audrey Hidano (via video conference)
Ms. Laurel Johnston, Secretary-Treasurer (via video Conference, excused at 9:59 a.m.)	Mr. Osa Tui (via video conference)
Mr. Roderick Becker (via video conference)	Mr. Ryker Wada (via video conference)
Mr. Damien Elefante	Mr. James Wataru

TRUSTEES ABSENT

None

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General (via video conference)

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Stephen Murphy, Consultant (via video conference)
Ms. Donna Tonaki, Assistant Administrator	Ms. Emily Kaimulua (via video conference)
Ms. Desiree Yamauchi	Mr. Raymond Kan
Ms. Amy Cheung	Ms. Heather McMahan
Ms. Linda Green (via video conference)	Ms. Lara Nitta (via video conference)
Mr. Marvin Judd (via video conference)	Mr. Kali Puuohau (via video conference)
Ms. Bonny Kahalewai	Mr. Kuan Yuan

OTHERS PRESENT (via video conference or teleconference)

Ms. Sokhadina Aun, CVS	Mr. David Lauck, CVS
Ms. Stacia Baek, HMSA	Mr. Christopher Letoto, HMSA
Ms. Sandra Benevides, CVS	Mr. David Louie, Kobayashi Sugita & Goda
Ms. Julie Bodenski, Humana	Ms. Denise Mercil, Securian
Ms. Cheryl Byron, CVS	Mr. Eli Miser, Humana
Mr. Su Chai, Kaiser	Dr. Christopher Miura, Kaiser
Mr. Stanley Chow, Dept. Attorney General	Ms. Heather Miyasato, HMSA
Mr. David Day, Dept. Attorney General	Ms. Alissa Nelson, HMSA
Mr. Thomas England, Kaiser	Mr. Kurt Neuenfeld, CVS
Ms. Elaine Fujiwara, HDS	Mr. Allan Nogra, ASH
Ms. Carol Gallardo, ASH	Mr. Jerry Nosewicz, ASH
Mr. Galen Haneda, HMSA	Dr. Andrew Perry, HMSA
Ms. Keiko Hiraoka, Lilly	Mr. Dave Shiroma, Kaiser
Ms. Vanelle Hirayasu, HMA	Mr. Troy Tomita, Kaiser
Ms. Monica Kim, VSP	Ms. Grace Weaver-Reyes, HMSA
Ms. Mae Kishimoto, HSTA-R	Mr. Chad Wong, HMSA
Ms. Angela Kohls, Kaiser	Mr. Brian Wu, HMSA
Mr. Brandon Kumabe, HMSA	Mr. Scott Yamaguchi, Kaiser
Mr. Thomas LaBrot, ASH	

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:00 a.m. by Chairperson

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Christian Fern, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, June 23, 2020.

II. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:03 a.m. (Wataru/Elefante) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 9:58 a.m.

Chairperson Fern reported that during executive session the Board approved commitments to two private equity funds, subject to contract negotiation.

Trustee Johnston was excused from the meeting at 9:59 a.m.

III. Introduction of New Trustees

Chairperson Fern introduced and welcomed new Trustees Jacqueline Ferguson-Miyamoto and James Wataru. Trustee Ferguson-Miyamoto is the retiree representative who recently retired from the Department of Transportation and previously served as a Board member of the Employees' Retirement System of the State of Hawaii and HGEA President. Trustee Wataru is currently employed at the State Department of Accounting and General Services and is State President of the United Public Workers.

IV. MINUTES – May 26, 2020

The Board reviewed the draft minutes of May 26, 2020.

MOTION was made and seconded to approve the minutes of May 26, 2020, as circulated. (Nip/Wataru) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

V. Benefits Committee

A. Summary of Benefits – Kaiser, HMSA, HDS, and VSP

Mr. Derek Mizuno presented the Benefits Committee Report that compared EUTF active employee and retiree plans to the carriers' prevalent plans noting that the member out-of-pocket costs and covered procedures are very similar. Recommended plan changes stem from comparison of the EUTF plans to the carriers' prevalent plans, analysis of trend from utilization reports, EUTF strategic plan goals, and federal and state mandates.

B. Extension of COVID-19 Related Coverage under HMSA Plans and Payment Transformation

Mr. Mizuno presented the recommendations from the Benefits Committee related to COVID-19 coverage under the HMSA plans.

MOTION was made and seconded to approve the following Benefits Committee recommendations for the EUTF and HSTA VB HMSA medical plans:

1. Cover 100% of COVID-19 diagnostic testing costs for services incurred from July 1,

2020 through the end of the national public health emergency in accordance with federal law.

2. Cover 100% of COVID-19 diagnostic testing costs for asymptomatic patients prior to elective surgery for services incurred from April 1, 2020 through July 31, 2020.
3. Cover 100% of COVID-19 treatment costs for services incurred from July 1, 2020 through July 31, 2020.
4. Cover 100% of all telehealth services for services incurred from July 1, 2020 through July 31, 2020.

(Ferguson-Miyamoto/Tui) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

### C. CVS Prescription Drug Plan

#### 1. Plan Summary

Mr. Mizuno informed the Board about the Benefits Committee's discussion of the CVS/SSI summary of the prescription drug program noting the following topics:

- a. The role of CVS Health as the pharmacy benefits manager
- b. Cost drivers
- c. Formulary management
- d. Utilization management
- e. Plan design – copayments and coinsurance
- f. Retrospective review programs
- g. Health improvement programs

#### 2. Hyperinflation Management Program

Mr. Mizuno informed the Board about the Benefits Committee's discussion of the Hyperinflation Management Program in which the Board would delegate authority to CVS to exclude drugs with clinically appropriate alternatives that experience significant price increase and prescription volume. Topic will be added to September 2020 Benefits Committee Agenda

#### 3. ACA Preventive Services Medications for Breast Cancer Prevention

Mr. Mizuno discussed the Benefits Committee's recommendation to cover exemestane and anastrozole at 100% when prescribed for preventive use only for the active employee plans in accordance with federal law.

MOTION was made and seconded to approve the Benefits Committee recommendation to cover exemestane and anastrozole when prescribed for preventive use only at 100% for the EUTF and HSTA VB active plans effective July 1, 2021 in accordance with federal law. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

#### 4. Emerging Trends Utilization Management Recommendations

Mr. Mizuno informed the Board about the Benefits Committee's discussion of possible quantity limits, step therapy and prior authorizations for certain drugs.

MOTION was made and seconded to add the following for CVS EUTF active

employee and non-Medicare retiree prescription drug plans effective August 1, 2020 with grandfathering:

1. Add topical corticosteroid quantity limits with post limit prior authorization.
2. Add Mupirocin quantity limits with post limit prior authorization.
3. Add a Gralise, Horizant, Lyrica and Lyrica CR step therapy program.
4. Add prior authorization on Rosacea products.
5. Add prior authorization on Palforzia products.

(Becker/Elefante) Trustee Ferguson-Miyamoto confirmed with Mr. Mizuno that grandfathering was included in the motion. The motion failed. (Employer Trustees-4 YES Becker, Elefante, Hidano, Wada/ Employee-Beneficiary Trustees-1 YES Ferguson-Miyamoto, 4 NO Fern, Nip, Tui, Wataru)

## VI. OLD BUSINESS

### A. Committee Assignments

Trustee Wataru volunteered to serve on the Administrative and Benefits Committees, and Trustee Ferguson-Miyamoto volunteered to serve on the Benefits and Investment Committees.

### B. Proposed Chiropractic Benefit for EUTF Retiree Plan

Mr. Mizuno presented a memorandum dated June 17, 2020 regarding the proposed chiropractic benefit for EUTF retiree medical plans, which are the only EUTF group without a chiropractic benefit, noting that there is widespread coverage of the chiropractic services both nationally and in Hawaii. American Specialty Health (ASH), who is the subcontractor providing chiropractic services for both HMSA and Kaiser, discussed the important points related to EUTF Questionnaire about chiropractic services. The Board, Segal and ASH discussed the benefits of chiropractic services.

Motion was made and seconded to add the same chiropractic benefit as the EUTF active employees to the EUTF retiree medical plans effective January 1, 2021. (Nip/Wataru) The motion failed. (Employer Trustees-4 NO/ Employee-Beneficiary Trustees-5 YES)

### C. Waiver of EUTF Administrative Rule Related to Non-Payment of Plans and Possible Other Waivers of EUTF Administrative Rules

Mr. Mizuno noted that EUTF staff have not witnessed a significant increase in shortage notices in 2020. Mr. Mizuno informed the Board that EUTF staff will continue to monitor the shortage notices and the EUTF Financial Management Officer will report the statistics in her monthly Board report. This item will not be included on the July Board agenda unless necessary.

### D. Use of EUTF Reserve Funds for 100% Coverage of Furloughed Active Employees' Healthcare Premiums

This item was deferred. Trustee Celeste Nip requested that it be included on the July Board agenda.

### E. 2020 EUTF Related Legislation

Mr. Mizuno reported that SB126 (FY21 budget) and SB2866 (EUTF's bill to mandate automatic electronic deductions of retiree premiums) are moving during this short session (June-July) noting that SB126 includes the additional \$400,000 for data cleansing and conversion services.

## VII. REPORTS

### A. Segal

1. Compliance News – May 12, 2020 and June 10, 2020
2. ACA Dollar Amounts and Percentage

Mr. Steve Murphy updated the Board on various ACA items.

### B. Administrator

1. Meetings with legislators and unions
2. Public engagement
3. Operations

Mr. Mizuno informed the Board that the ERS Summer Holomua included an article about opening the EUTF office to appointments only. However, this was reported in error and the EUTF office will open when other agencies such as ERS, Department of Health and Satellite City Halls open. Generally, all EUTF assistance can be provided over the phone. Notices informing the membership that the EUTF office is not opening to appointments was emailed to employees through their personnel offices and posted on the EUTF website.

### 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. 2020 Active Employee Open Enrollment
  - e. 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. COVID-19 Response
  - d. Vitech Contract
  - e. Humana Retiree Plan

Ms. Mae Kishimoto, HSTA-R, inquired if the Humana plan is a new retiree plan.

Mr. Mizuno replied that the Humana plan is a new Senior Advantage plan that will be offered to retirees and their dependents with Medicare effective January 1, 2021.

- f. ISB Staffing Update
    - g. Enrollment Counts
  3. EUTF Benefits Audit Specialist Report
    - a. Audits Currently in Progress
    - b. Additional Audits to be Initiated by December 31, 2020

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- 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. Financial Statements as of April 30, 2020
- D. Carrier Reports
  1. CVS Caremark

Trustee Nip asked CVS on the number of COVID-19 tests provided at their two sites and if there are plans to open more. Ms. Sandra Benevides, CVS, responded that she will obtain this information and provide to the Board.
  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)

II. EXECUTIVE SESSION (continued)

The Board Meeting recessed and moved into Executive Session at 11:29 a.m.

The regular meeting reconvened at 12:24 p.m.

The Chair did not make an announcement as there was no public.

VIII. NEXT MEETING DATE

Tuesday, July 28, 2020, 9:00 a.m. – Medical and Prescription Drug Retiree Premiums January 1, 2021 and Kelley Withy, UH, on the physician shortage

Mr. Mizuno noted that the Board officers will be changing effective July 1, 2020. He thanked Chair Fern, Vice Chair Nip and Secretary-Treasurer Johnston for their service, support and guidance this past year.

X. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 12:26 p.m. (Nip/Wataru) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

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Laurel Johnston, Secretary-Treasurer

APPROVED ON 07/28/2020

Documents Distributed:

1. Draft Board Minutes of May 26, 2020. (6 pages)
2. Memorandum to BOT from EUTF Benefits Committee Regarding Benefits Committee Meeting – June 22, 2020, dated June 22, 2020. (3 pages)
3. EUTF Committee Assignments dated June 22, 2020. (1 page)
4. Memorandum to BOT from EUTF Health Benefits Specialist Regarding Proposed Chiropractic Benefit (Part 2), redacted version, dated June 17, 2020. (2 pages)
5. Memorandum to BOT from EUTF Health Benefits Specialist Regarding Proposed Chiropractic Benefit, redacted version, dated May 21, 2020. (2 pages)
6. HMSA Questionnaire for EUTF, prepared by American Specialty Health, redacted version, dated June 19, 2020. (10 pages)
7. Memorandum to BOT from EUTF Financial Management Officer Regarding Waiver of EUTF Administrative Rule 4.11(b) Related to Non-Payment of Plans, dated June 17, 2020. (1 page)
8. Legislative Update dated June 22, 2020. (8 pages)
9. Compliance News, ACA OOP Limit for 2021 & Guidance on Rx Manufacturer Coupons, prepared by Segal Consulting, dated May 12, 2020. (8 pages)
10. Administrator's Monthly Report to the Board from May 16, 2020 – June 12, 2020, dated June 12, 2020. (1 page)
11. Memorandum to BOT from Member Services Branch Manager Regarding May – June 2020 Member Services Operations Report, dated June 12, 2020. (6 pages)
12. Memorandum to BOT from Information Systems Chief Regarding May – June 2020 Information Systems (IS) Operations Report, dated June 12, 2020. (11 pages)
13. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding May – June 2020 EUTF Benefits Audit Specialist Report, dated June 12, 2020. (2 pages)
14. Memorandum to Administrator from EUTF Program Specialist Regarding May – June 2020 EUTF Program Specialist Report, dated June 12, 2020. (1 page)
15. Memorandum to BOT from EUTF Financial Management Officer Regarding May – June 2020 Financial Services Branch (FSB) Report, dated June 12, 2020. (15 pages)
16. CVS Caremark Monthly Carrier Report for May 2020 dated June 5, 2020. (33 pages)
17. SilverScript Monthly Carrier Report for May 2020 dated June 5, 2020. (3 pages)
18. HDS Monthly Carrier Report for May 2020 dated June 8, 2020. (2 pages)
19. HMA Monthly Carrier Report for May 2020 dated June 8, 2020. (2 pages)
20. HMSA Monthly Carrier Report for May 2020 dated June 15, 2020. (3 pages)
21. Kaiser Monthly Carrier Report for May 2020 dated June 9, 2020. (2 pages)
22. Securian Financial Monthly Carrier Report for May 2020 dated June 10, 2020. (1 page)
23. VSP Monthly Carrier Report for May 2020 dated June 8, 2020. (2 pages)