

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Tuesday, July 28, 2020

**TRUSTEES PRESENT**

Mr. Damien Elefante, Vice Chairperson	Ms. Laurel Johnston (via video conference)
Mr. Christian Fern, Secretary-Treasurer (via video conference)	Ms. Celeste Nip (via video conference)
Ms. Jacqueline Ferguson-Miyamoto	Mr. Osa Tui (via video conference)
Ms. Audrey Hidano (via video conference, joined at 9:02 a.m.)	Mr. Ryker Wada (via video conference)
	Mr. James Wataru

**TRUSTEES ABSENT**

Mr. Roderick Becker, Chairperson

**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 (via video conference)
Ms. Amy Cheung (via video conference)	Ms. Jessica McDonald
Ms. Linda Green (via video conference)	Ms. Lara Nitta
Ms. Bonny Kahalewai (via video conference)	

**OTHERS PRESENT** (via video conference or teleconference)

Ms. Sokhadina Aun, CVS	Mr. Brandon Kumabe, HMSA
Ms. Stacia Baek, HMSA	Mr. Christopher Letoto, HMSA
Ms. Sandra Benevides, CVS	Mr. Steve McCall, CVS
Ms. Julie Bodenski, Humana	Ms. Denise Mercil, Securian
Mr. Ty Bowers, CVS	Mr. Eli Miser, Humana
Ms. Cheryl Byron, CVS	Dr. Christopher Miura, Kaiser
Mr. Su Chai, Kaiser	Ms. Heather Miyasato, HMSA
Mr. Thomas England, Kaiser	Ms. Alissa Nelson, HMSA
Ms. Elaine Fujiwara, HDS	Mr. Kurt Neuenfeld, CVS
Ms. Samantha Furutani, CVS	Dr. Andrew Perry, HMSA
Dr. Rupal Gohil, HMSA	Mr. Dave Shiroma, Kaiser
Mr. Galen Haneda, HMSA	Mr. Troy Tomita, Kaiser
Ms. Kim Harris-McCoy, HMSA	Ms. Janice Tung, HMSA
Ms. Vanelle Hirayasu, HMA	Dr. Kelley Withy, UH
Ms. Monica Kim, VSP	Mr. Chad Wong, HMSA
Ms. Mae Kishimoto, HSTA-R	Dr. Brian Wu, HMSA
Ms. Angela Kohls, Kaiser	Mr. Scott Yamaguchi, Kaiser

**I. CALL TO ORDER**

The meeting of the Board of Trustees was called to order at 9:00 a.m. by Vice Chairperson Damien Elefante, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, July 28, 2020.

**II. PRESENTATION ON THE PHYSICIAN SHORTAGE IN HAWAII BY KELLEY WITHY, UNIVERSITY OF HAWAII**

Dr. Kelley Withy presented a report entitled Hawaii Physician Workforce Assessment 2019 analyzing the current physician shortage in Hawaii, the possible negative impacts and ways

that the issue is being addressed.

### III. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:52 a.m. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 10:45 a.m.

Vice Chairperson Elefante reported that the following were performed during Executive Session:

1. Denied an appeal to allow enrollment in retiree health benefits.
2. Approved an appeal to amend an open enrollment plan change.
3. Approved retiree premiums for HMSA, Kaiser, and Humana effective January 1, 2021.

### IV. MINUTES – JUNE 23, 2020

The Board reviewed the draft minutes of June 23, 2020.

MOTION was made and seconded to approve the minutes of June 23, 2020, as circulated. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

### V. BENEFITS COMMITTEE

Vice Chairperson Elefante informed the Board that since yesterday's Benefits Committee meeting was cancelled, agenda items for that meeting will be presented today directly to the Board.

#### A. Kaiser

##### 1. Proposed Preventative Service Plan Changes

Mr. Troy Tomita, Kaiser, presented a memorandum dated July 27, 2020 proposing 100% coverage of testing for A1c and retinopathy screening with a diabetes diagnosis, LDL with a heart disease diagnosis, and INR (International Normalized Ratio) with a liver disease and/or bleeding disorder diagnosis to remove any financial barrier to these tests that help physicians and patients manage these conditions. The Board noted the projected claim costs for these changes.

MOTION was made and seconded to cover the following screening and lab tests at \$0 copayment:

- A1c testing for individuals diagnosed with diabetes;
- Low-Density Lipoprotein (LDL) testing for individuals diagnosed with heart disease;
- International Normalized Ratio (INR) testing for individuals diagnosed with liver disease and/or bleeding disorders;
- Retinopathy screening for individuals diagnosed with diabetes

for the EUTF and HSTA VB Kaiser active employee and retiree plans effective January 1, 2021. (Wataru/Ferguson-Miyamoto) The motion passed. (Employer Trustees-3 YES Elefante, Johnston, Wada, 1 NO Hidano/Employee-Beneficiary Trustees-5 YES Ferguson-Miyamoto, Fern, Nip, Tui, Wataru)

2. COVID-19 Update

Mr. Tomita presented a memo dated July 27, 2020 informing the Board that 100% coverage of diagnostic testing of COVID-19 for medical necessity, which the Board previously approved, has been extended through the Public Health Emergency Declaration, October 23, 2020. Also, included under such coverage is diagnostic testing prior to a surgical procedure and any admission to a Kaiser hospital. Additionally, Kaiser has extended 100% coverage of COVID-19 treatment costs through December 31, 2020.

B. HMSA

1. Extension of COVID-19 Coverage

Ms. Stacia Baek, HMSA, presented a memo dated July 28, 2020 proposing to extend 100% coverage of COVID-19 treatment costs, telehealth services and diagnostic testing for asymptomatic patients prior to surgery at a participating provider through December 31, 2020 from July 31, 2020 which is consistent with HMSA's fully insured commercial plans. The Board noted the projected claim costs for these changes.

MOTION was made and seconded to extend 100% coverage of:

- COVID-19 treatment costs
- All telehealth services
- COVID-19 diagnostic testing costs for asymptomatic patients prior to elective surgery when rendered by a participating provider

under the EUTF and HSTA VB HMSA active employee and retiree medical plans for services incurred through December 31, 2020. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

2. Proposed Plan Changes

Ms. Baek presented the 2020 Plan Change Overview and Authorization, EUTF Retirees document describing proposed plan changes for the HMSA retiree plans effective January 1, 2021.

The proposed Medical Nutrition Therapy benefit:

- Expands the current Nutritional Counseling benefit from coverage of nutritional counseling for eating disorders to other conditions such as chronic kidney disease, refractory seizures, and swallowing impairments for the EUTF retiree plans.
- Reduces in-network coinsurance to 0% from 20% for the EUTF Retiree plans
- Adds the benefit to the HSTA VB retiree plans which currently do not have the Nutritional Counseling benefit.

The goal is for members to address the conditions through diet rather than more costly prescription drugs or medical procedures. The Board noted the projected claim costs for these changes.

MOTION was made and seconded to:

- Add a Medical Nutrition Therapy benefit to the HSTA VB HMSA retiree medical plans;
- Change the Nutritional Counseling benefit to a Medical Nutrition Therapy benefit for the EUTF HMSA retiree medical plans

both at 0% in-network (deductible does not apply) and 30% out-of-network

(deductible applies) coinsurance effective January 1, 2021. (Wataru/Ferguson-Miyamoto) Mr. Derek Mizuno responded to Trustee Osa Tui's question noting that the Medical Nutrition Therapy benefit has not been added to the EUTF and HSTA VB active plans. The Employer Trustees noted their concern with adding benefits to the retiree plans. The motion failed. (Employer Trustees-4 NO Elefante, Hidano, Johnston, Wada/Employee-Beneficiary Trustees-4 YES Ferguson-Miyamoto, Fern, Nip, Wataru, 1 NO Tui)

The proposed change to 100% in-network coverage of internal items/implants (e.g. pain pumps, heart monitors and joint spacers) for the EUTF and HSTA VB retiree plans would reduce the financial burden on members as the cost of these items can be significant. The Board noted the projected claim costs for this change.

MOTION was made and seconded to change the internal items/implants in-network coinsurance to 0% for the EUTF (deductible applies) and HSTA VB (deductible does not apply) HMSA retiree medical plans effective January 1, 2021. (Wataru/Ferguson-Miyamoto) Mr. Mizuno responded to Trustee Tui's question noting that the change to 100% in-network coverage has not been made to the EUTF and HSTA VB active plans. The Employer Trustees noted their concern with adding benefits to the retiree plans. The motion failed. (Employer Trustees-4 NO Elefante, Hidano, Johnston, Wada/Employee-Beneficiary Trustees-4 YES Ferguson-Miyamoto, Fern, Nip, Wataru, 1 NO Tui)

The proposed change to 10% in-network coinsurance from 20% for non-cutting surgery physician services would make the benefit consistent with the outpatient facility benefit as well as the cutting surgery physician service benefit. The Board noted the projected claim costs for this change.

MOTION was made and seconded to change the non-cutting surgery in-network benefit to 10% coinsurance (deductible does not apply) for the EUTF HMSA retiree medical plans effective January 1, 2021. (Wataru/Ferguson-Miyamoto) Mr. Mizuno responded to Trustee Tui's question noting that the non-cutting surgery physician service benefit is already consistent with other inpatient and outpatient benefits as well as the cutting surgery physician service benefit for EUTF and HSTA VB active plans, and HSTA VB retiree plans. The Employer Trustees noted their concern with adding benefits to the retiree plans. The motion passed. (Employer Trustees-3 YES Elefante, Johnston, Wada, 1 NO Hidano/Employee-Beneficiary Trustees-5 YES Ferguson-Miyamoto, Fern, Nip, Tui, Wataru)

Trustee Johnston recommended bringing changes that impact both the actives and retirees at the same time. Mr. Mizuno said that the first two HMSA proposed changes will be presented for the actives and retirees later this year.

Mr. Mizuno noted that EUTF staff and Segal will continue to work with the carriers to present to the Board plan changes that the carriers are making to their other groups for the Board's consideration.

C. Segal – Comparison of EUTF Medical Plans with Other State Government Medical Plans

Mr. Steve Murphy presented a memo dated July 17, 2020 that follows up on Trustee Rod Becker's request to compare the EUTF medical plans to other states. Mr. Murphy noted that many state surveys were outdated or did not contain the necessary information so Segal compared the EUTF plans to California, Oregon and Washington state plans. Mr. Mizuno said that he would follow up with Trustee Becker if he would like more information.

## VI. NEW BUSINESS

### A. Prescription Drug Plan Retiree Rates Effective January 1, 2021 – Caremark and SilverScript

Mr. Murphy presented a memo dated July 28, 2020 noting that the proposed retiree prescription drug premiums effective January 1, 2021 are all decreases from the current premiums.

MOTION was made and seconded to approve the proposed prescription drug plan retiree premiums effective January 1, 2021. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

### B. Proposed EUTF Administrative Rule Change

Ms. Donna Tonaki presented the proposed Administrative Rule changes that:

1. Address the EUTF bill, SB2866, recently passed by the legislature that mandates electronic automatic deduction of retiree premiums from either their ERS pension or bank account
2. Allow EUTF collection of overpayments directly from member bank accounts
3. Add enrollment in Medicare Part B as a qualifying event

Motion was made and seconded to approve the proposed EUTF Administrative Rule changes, subject to SB2866 becoming law. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

## VII. OLD BUSINESS

### A. Possible Waivers of EUTF Administrative Rules

Mr. Mizuno noted an increase in June 2020 cancellations of 127 from 87 in June 2019 which is due to the earlier decision to waive cancellations in May 2020. Included in the 127 cancellations were approximately 40 cancellations that were waived in May 2020.

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

Mr. Mizuno reported that there is no update.

### C. 2020 EUTF Related Legislation

Mr. Mizuno reported the following bills passing:

1. EUTF's bill, SB2866, mandating electronic automatic deduction of retiree premiums from either their ERS pensions or bank account.
2. HB1698 which creates another bargaining unit (BU 15) for county ocean safety and water safety officers. EUTF staff will create a new BU in the benefits administration system.

3. SB126 which is the supplemental budget for FY2021. The bill included the EUTF's request for \$400,000 for data cleansing and conversion costs related to the new benefits administration system.

## VIII. REPORTS

### A. Segal

1. Trends: News and Strategies for Health Plan Sponsors (2020 Q3)  
Mr. Steve Murphy updated the Board on trends in the healthcare industry.

### B. Administrator

1. Meetings with legislators and unions
2. Public engagement
3. New Trustee HIPAA training  
Mr. Mizuno noted that the new trustees are required to complete a half hour webinar on HIPAA. EUTF staff will email a link.
4. Active Open Enrollment – July 1, 2020  
Mr. Mizuno noted the continued move to the HMSA 75/25 plan due to the low premiums. The HMSA 75/25 plan continues, from last year, to be the most prevalent plan at 34% of the EUTF active employee medical and prescription drug membership.
5. Operations  
Mr. Mizuno informed the Board approximately half of the staff are working in the office with the other half working at home. All staff are working full time. Additionally, the EUTF office is closed to the public and will continue to be closed until other State and city and county offices open.

The Governor's 10<sup>th</sup> emergency declaration suspended the requirement that employers contribute the annual required contribution (ARC) to the OPEB Trust for FY2021. With the suspension, the Chapter 87A, Hawaii Revised Statutes requires that employers contribute retiree pay-as-you-go premiums plus the Medicare Part B premiums. The State's ARC for FY2021 is \$842.5 million versus the estimated pay-as-you-go premiums of \$454.0 million.

### 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. COVID-19 Response
  - d. Vitech Contract
  - e. Humana Retiree Plan
  - f. ISB Staffing Update
  - g. Enrollment Counts

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

July 28, 2020 Minutes

Page 7

- h. Open Enrollment Plan Movement
3. EUTF Benefits Audit Specialist Report
  - a. Audits Currently in Progress
  - b. Additional Audits to be Initiated by December 31, 2020
  - 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 May 31, 2020
- D. Carrier Reports
  1. CVS Caremark

Trustee Celeste Nip inquired about the impact of the recent executive order issued by President Trump relating to allocating prescription drug rebates to individuals at the point of sale. Mr. Mizuno noted the executive order is similar to an earlier “Rebate Rule” that was previously proposed by DHHS that was ultimately abandoned because it increased overall costs to the taxpayers, increased Medicare Part D premiums, and benefited pharmaceutical manufacturers.
  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)

IX. NEXT MEETING DATE

Tuesday, August 25, 2020, 9:00 a.m. – Investment and Benefits Committee Reports

X. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:54 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

---

Christian Fern, Secretary-Treasurer

APPROVED on August 25, 2020

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

July 28, 2020 Minutes

Page 8

Documents Distributed:

1. Hawaii Physician Workforce Assessment 2019 by Kelley Withy. (18 pages)
2. Draft Board Minutes of June 23, 2020. (7 pages)
3. Memorandum to BOT from EUTF Health Benefits Specialist Regarding Proposed Plan Changes, redacted version, dated July 23, 2020. (2 pages)
4. Memorandum to BOT from Kaiser Permanente Regarding Internal Revenue Service and U.S. Treasury Department Notice 2019-45, redacted version, dated July 27, 2020. (2 pages)
5. Memorandum to BOT from Kaiser Permanente Regarding COVID-19 testing and treatment update, dated July 27, 2020. (1 page)
6. Memorandum to BOT from HMSA Regarding Extension of end date for all previously approved COVID-19 benefit enhancements, redacted version, dated July 28, 2020. (2 pages)
7. 2020 Plan Change Overview and Authorization, EUTF Retirees, prepared by HMSA, redacted version. (4 pages)
8. Memorandum to Administrator from Segal Consulting Regarding Comparison of EUTF Medical Plans with Other State Government Medical Plans, dated July 17, 2020. (6 pages)
9. Memorandum to BOT from Segal Consulting Regarding 2021 Retiree Prescription Drug Rates, dated July 28, 2020. (4 pages)
10. Memorandum to BOT from EUTF Eligibility Specialist Regarding Proposed EUTF Administrative Rule Changes, dated July 23, 2020. (32 pages)
11. Legislative Update dated July 22, 2020. (2 pages)
12. Trends by Segal Consulting, 3<sup>rd</sup> Quarter 2020. (2 pages)
13. Administrator's Monthly Report to the Board from June 13, 2020 – July 17, 2020, dated July 20, 2020. (5 pages)
14. Memorandum to BOT from Member Services Branch Manager Regarding June – July 2020 Member Services Operations Report, dated July 17, 2020. (6 pages)
15. Memorandum to BOT from Information Systems Chief Regarding June – July 2020 Information Systems (IS) Operations Report, dated July 17, 2020. (15 pages)
16. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding June – July 2020 EUTF Benefits Audit Specialist Report, dated July 17, 2020. (2 pages)
17. Memorandum to Administrator from EUTF Program Specialist Regarding June – July 2020 EUTF Program Specialist Report, dated July 17, 2020. (7 pages)
18. Memorandum to BOT from EUTF Financial Management Officer Regarding June – July 2020 Financial Services Branch (FSB) Report, dated July 17, 2020. (15 pages)
19. CVS Caremark Monthly Carrier Report for June 2020 dated July 8, 2020. (3 pages)
20. SilverScript Monthly Carrier Report for June 2020 dated July 6, 2020. (3 pages)
21. HDS Monthly Carrier Report for June 2020 dated July 8, 2020. (2 pages)
22. HMA Monthly Carrier Report for June 2020 dated July 9, 2020. (2 pages)
23. HMSA Monthly Carrier Report for June 2020 dated July 15, 2020. (4 pages)
24. Kaiser Monthly Carrier Report for June 2020 dated July 10, 2020. (2 pages)
25. Securian Financial Monthly Carrier Report for June 2020 dated July 10, 2020. (1 page)
26. VSP Monthly Carrier Report for June 2020 dated July 10, 2020. (2 pages)