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

TRUSTEES PRESENT
Mr. Damien Elefante, Vice Chairperson
Mr. Christian Fern, Secretary-Treasurer (via video conference)
Ms. Jacqueline Ferguson-Miyamoto
Ms. Audrey Hidano (via video conference, joined at 9:02 a.m.)

Ms. Laurel Johnston (via video conference)
Ms. Celeste Nip (via video conference)
Mr. Osa Tui (via video conference)
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
Ms. Donna Tonaki, Assistant Administrator
Ms. Desiree Yamauchi
Ms. Amy Cheung (via video conference)
Ms. Linda Green (via video conference)
Ms. Bonny Kahalewai (via video conference)

Mr. Stephen Murphy, Consultant (via video conference)
Ms. Emily Kaimuloa (via video conference)
Mr. Raymond Kan (via video conference)
Ms. Jessica McDonald
Ms. Lara Nitta

OTHERS PRESENT (via video conference or teleconference)
Ms. Sokhadina Aun, CVS
Ms. Stacia Baek, HMSA
Ms. Sandra Benevides, CVS
Ms. Julie Bodenski, Humana
Mr. Ty Bowers, CVS
Ms. Cheryl Byron, CVS
Mr. Su Chai, Kaiser
Mr. Thomas England, Kaiser
Ms. Elaine Fujiwara, HDS
Ms. Samantha Furutani, CVS
Dr. Rupal Gohil, HMSA
Mr. Galen Haneda, HMSA
Ms. Kim Harris-McCoy, HMSA
Ms. Vanelle Hirayasu, HMA
Ms. Monica Kim, VSP
Ms. Mae Kishimoto, HSTA-R
Ms. Angela Kohls, Kaiser

Mr. Brandon Kumabe, HMSA
Mr. Christopher Letoto, HMSA
Mr. Steve McCall, CVS
Ms. Denise Mercil, Securian
Mr. Eli Miser, Humana
Dr. Christopher Miura, Kaiser
Ms. Heather Miyasato, HMSA
Ms. Alissa Nelson, HMSA
Mr. Kurt Neuenfeld, CVS
Dr. Andrew Perry, HMSA
Mr. Dave Shiroma, Kaiser
Mr. Troy Tomita, Kaiser
Ms. Janice Tung, HMSA
Dr. Kelley Withy, UH
Mr. Chad Wong, HMSA
Dr. Brian Wu, HMSA
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
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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.

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. 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. 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

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
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 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 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 10th 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
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
Documents Distributed:
1. Hawaii Physician Workforce Assessment 2019 by Kelley Withy. (18 pages)
2. Draft Board Minutes of June 23, 2020. (7 pages)
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 BOT from Administrator from Segal Consulting Regarding Comparison of EUTF Medical Plans with Other State Government Medical Plans, dated July 17, 2020. (6 pages)
11. Legislative Update dated July 22, 2020. (2 pages)
12. Trends by Segal Consulting, 3rd Quarter 2020. (2 pages)
14. Memorandum to BOT from Member Services Branch Manager Regarding June – July 2020 Member Services Operations Report, dated July 17, 2020. (6 pages)