I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:03 a.m. by Secretary-Treasurer Christian Fern, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, September 29, 2020.

Secretary-Treasurer Fern informed the Board that Chairperson Roderick Becker and Vice-Chairperson Damien Elefante will not be in attendance and asked for a vote for a Chair Pro-Tem.
MOTION was made and seconded to appoint Secretary-Treasurer Fern as Chair Pro-Tem. (Hidano/Wada) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

II. NEW BUSINESS
   A. Benefits Administration System Implementation Status Update
      Ms. Donna Tonaki, Mr. Gary Behnke-Segal, Mr. Brent Griffiths-Morneau Shepell, and Ms. Julia Okinaka-Accuity provided the Board with an update on the status of the implementation of the new Benefits Administration System. Trustee Audrey Hidano asked about the change in the “go-live” date. Mr. Griffiths and Mr. Derek Mizuno noted that the “go-live” date moved from November 1, 2021 to February 1, 2022 because of the one month delay in executing the contract, moving the “go-live” date after retiree open enrollment and the high number of retirements December 31, and to ensure that sufficient time is provided for a successful “go-live”. Trustee Hidano stressed the importance of meeting this date and her disappointment in the change in the “go-live” date as the project just got started and also moving the date “after bid” is not right.

III. MINUTES – AUGUST 25, 2020
    The Board reviewed the draft minutes of August 25, 2020.

    Trustee Hidano noted on page 1, line 34 that a comma should be added after “Thomas England”.

    MOTION was made and seconded to approve the minutes of August 25, 2020, as amended. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

IV. BENEFITS COMMITTEE REPORT
   A. HMSA Supportive Care
      Mr. Mizuno summarized the Benefits Committee report noting that the information requested by the Committee will be presented at their October 26, 2020 Committee meeting.

   B. HMSA Reversing Heart Disease Program
      Mr. Mizuno summarized the Benefits Committee report noting that the information requested by the Committee will be presented at their October 26, 2020 Committee meeting.

   C. Kaiser Permanente Senior Advantage (KPSA) Acupuncture Coverage
      Mr. Mizuno summarized the Benefits Committee report noting the Centers for Medicare and Medicaid Services mandate to cover acupuncture services for chronic back pain effective January 21, 2020 and the inclusion in the EUTF and HSTA VB Kaiser Permanente Senior Advantage plans.

   D. Self-Funded Prescription Drug (CVS) Proposed Plan Changes
      Mr. Mizuno summarized the Benefits Committee report relating to the increase in the annual maximum out-of-pocket limit (MOOP), coordination of benefits and high cost claims for diabetes prescriptions.
Motion was made and seconded to approve the Benefits Committee’s recommendation to change the coordination of benefit logic for the EUTF active CVS prescription drug plans to ensure that the EUTF plan pays no more than what it would have paid as primary, effective July 1, 2021. (Johnston/Ferguson-Miyamoto). The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5).

Chairperson Becker entered the meeting at 9:51 a.m.

Motion was made and seconded to approve the Benefits Committee’s recommendation to change the coordination of benefit logic for the EUTF non-Medicare retiree CVS prescription drug plans to ensure that the EUTF plan pays no more than what it would have paid as primary, effective January 1, 2022. (Johnston/Ferguson-Miyamoto). The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5).

Motion was made and seconded to approve the Benefits Committee’s recommendation to exclude Glumetza and Fortamet from the EUTF active and non-Medicare retiree CVS prescription drug plans effective January 1, 2021. (Ferguson-Miyamoto/Wataru). The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5).

Motion was made and seconded to allow Secretary-Treasurer Fern to continue as Chair Pro-Tem for the remainder of the meeting. (Becker/Hidano). The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5).

V. OLD BUSINESS
A. 2021 Legislative Proposals
   Mr. Mizuno informed the Board that no bills are being recommended by EUTF staff for the 2021 Legislative session.

B. Proposed EUTF Administrative Rule Change
   Ms. Tonaki presented a memo dated September 16, 2020 regarding proposed EUTF Administrative Rule changes noting that only the City and County of Honolulu had comments. EUTF staff responded to the City and County and believe that the original proposed rule changes adequately address their concerns and no further revision is necessary.

   MOTION was made and seconded to approve the proposed EUTF Administrative Rule changes for submission to the Governor. (Wataru/Nip) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

VI. REPORTS
A. Segal
   1. 2021 Trend Survey
      Mr. Stephen Murphy summarized the 2021 Trend Survey.

B. Administrator
   1. Meetings with legislators and unions
Mr. Mizuno described EUTF staff’s discussion with House Finance and Labor chairs and staff, Speaker Saiki staff, and ERS that covered FY20 investment returns, impact of the suspension of Act 268 contributions, ways to address the budget shortfall and proposed budgets for FY22 and FY23. It was suggested at the meeting by the staff of Speaker Saiki that if the EUTF needs more investment staff to increase returns and/or reduce risk that they should submit such a request. Mr. Mizuno and Mr. Kuan Yuan discussed ways that returns could be increased by lowering private equity management fees. EUTF staff will provide more information to the Investment Committee for consideration.

2. Public engagement

3. EUTF SR166 SD1 COVID-19 Report to Legislature
   Mr. Mizuno noted that a draft of the impact of COVID-19 on EUTF operations was included in the Board materials. Comments can be emailed to Mr. Mizuno.

C. EUTF Managers’, Program Specialist and Benefits Audit Specialist Reports

1. Member Services Branch (MSB)
   a. MSB Data
      Mr. Mizuno noted call answer rates for 2020 have been near 90% through the end of August. With the increase in COVID-19 numbers, more EUTF staff began working from home in September, processing enrollment forms, resulting in less staff answering calls. September call answer rates will be much lower.

   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)
      Mr. Mizuno noted that the EUTF is now receiving a file feed from the State’s HawaiiPay system to update addresses and end coverage for terminated employees. However, the process is not complete because DOE is not timely updating the HawaiiPay system which was unknown to EUTF, DAGS and DOE human resource staff. EUTF staff will resume working with the DOE to directly receive a file from the DOE.

   c. COVID-19 Response
   d. Vitech Contract
   e. Humana Retiree Plan
   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
   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 June 30, 2020

D. Carrier Reports
   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)

VII. EXECUTIVE SESSION
    MOTION was made and seconded to move into Executive Session at 10:45 a.m.
    (Ferguson-Miyamoto/Johnston) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

    The regular meeting reconvened at 11:01 a.m.

VII. NEXT MEETING DATE
    Tuesday, October 27, 2020, 9:00 a.m. – Benefits and Investment Committee Report

IX. ADJOURNMENT
    MOTION was made and seconded for the Board to adjourn the meeting at 11:02 a.m.
    (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

    Respectfully submitted,

    /s/

    Christian Fern, Secretary-Treasurer

APPROVED on October 27, 2020 as amended.

Documents Distributed:
1. Ariel Benefits Administration System Update, dated September 29, 2020, prepared by Morneau Shepell, Accuity, and Segal Consulting. (14 pages)
4. Memorandum to BOT from EUTF Eligibility Specialist Regarding Proposed EUTF Administrative Rule Changes, dated September 16, 2020. (10 pages)
5. Findings from the 2021 Segal Health Plan Cost Trend Survey, dated September 2020, prepared by Segal Consulting. (9 pages)
7. Memorandum to BOT from Member Services Branch Manager Regarding August – September 2020 Member Services Operations Report, dated September 18, 2020. (6 pages)