TRUSTEES PRESENT
Mr. Roderick Becker, Chairperson
Mr. Damien Elefante, Vice Chairperson (via video conference, joined 9:25 a.m.)
Ms. Laurel Johnston (via video conference)
Ms. Celeste Nip (via video conference)
Mr. Osa Tui (via video conference)
Mr. Christian Fern, Secretary-Treasurer (via video conference)
Mr. Ryker Wada (via video conference)
Ms. Jacqueline Ferguson-Miyamoto (via video conference)
Mr. James Wataru
Ms. Audrey Hidano (via video conference)

TRUSTEES ABSENT
None

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

EUTF STAFF
Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Ms. Desiree Yamauchi
Mr. Stephen Murphy, Consultant (via video conference)
Mr. Johnny Wu, Consultant (via video conference)
Ms. Linda Green (via video conference)
Ms. Bonny Kahalewai (via video conference)

OTHERS PRESENT
Ms. Stacia Baek, HMSA
Ms. Sandra Benevides, CVS
Ms. Julie Bodenski, Humana
Mr. Ty Bowers, CVS
Ms. Cheryl Byron, CVS
Mr. Luis Carbajal, CVS
Mr. Su Chai, Kaiser
Ms. Linda Chan, HMSA
Ms. Alicia Coates, HMSA
Mr. Thomas England, Kaiser
Ms. Stacy Ferreira, Legislature
Mr. Riley Fujisaki, Legislature
Ms. Elaine Fujiwara, HDS
Ms. Sam Furutani, CVS
Ms. Stephanie Heller, Humana
Ms. Keiko Hiraoka, Lilly
Ms. Vanelle Hirayasu, HMA

I. CALL TO ORDER
The meeting of the Board of Trustees was called to order at 9:02 a.m. by Chairperson Roderick Becker in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, October 27, 2020.

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

The regular meeting reconvened at 9:15 a.m.

Chairperson Becker reported that the Board approved an appeal to rescind open enrollment elections.

III. MINUTES – SEPTEMBER 29, 2020
The Board reviewed the draft minutes of September 29, 2020.

Mr. Derek Mizuno noted that Trustee Audrey Hidano requested adding at the end of page 1, line 15, “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.” Trustee Jacqueline Ferguson-Miyamoto requested that page 3, line 47-48 be amended to read, “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…”

MOTION was made and seconded to approve the minutes of September 29, 2020, as amended. (Wataru/Nip) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

IV. COMMITTEE REPORTS
A. Investment Committee
1. Meketa Investment Group – 2020 Strategic Allocation Review
   Mr. Kuan Yuan summarized the Committee report recommending an updated long-term strategic allocation noting minimal changes to the current long-term strategic allocation asset classes, allocation weights, expected returns and standard deviation.

   MOTION was made and seconded to approve the Investment Committee’s recommendation to approve the proposed long-term strategic allocation for the OPEB Trust. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

2. Investment Office
   Mr. Yuan summarized the Committee report recommending the addition of an investment specialist position to the budget request for the second year of the biennium budget FY2022 and FY2023 noting the position will help improve investment return and protect the assets from risk. A new initiative would be to pursue private market co-investment opportunities which will result in lower management fees.

   MOTION was made and seconded to approve the Investment Committee’s recommendation to add an investment specialist position to the budget request for the second year of the biennium budget FY2022 and FY2023. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Trustee Laurel Johnston joined the meeting at 9:25 a.m.
B. Benefits Committee

1. HMSA Supportive Care
   Mr. Mizuno summarized the Committee report recommending the addition of a palliative care benefit to the EUTF and HSTA VB HMSA retiree plans effective January 1, 2021 through December 31, 2024 as a pilot or until sufficient data can be gathered to assess the effectiveness of the benefit from a health and cost perspective. Mr. Mizuno noted that HMSA presented information on the HMSA Supportive Care Program which is palliative care, a comparison of benefits to the HMSA and Medicare home health benefit, results of three national studies, EUTF results for 2018 and 2019, and opinions on the future of palliative care.

Trustee Damien Elefante joined the meeting at 9:34 a.m.

MOTION was made and seconded to approve the Benefits Committee’s recommendation to add a palliative care benefit to the EUTF and HSTA VB HMSA retiree plans effective January 1, 2021 through December 31, 2024 as a pilot or until sufficient data can be gathered to assess the effectiveness of the benefit from a health and cost perspective. (Tui/Wataru) The motion failed. (Employer Trustees-1 YES Johnston, 4 NO Becker, Elefante, Hidano, Wada/Employee-Beneficiary Trustees-5 YES Ferguson-Miyamoto, Fern, Nip, Tui, Wataru)

The Trustees requested that legal counsel provide a briefing on the Dannenberg case at the November 24, 2020 Board meeting. Mr. Mizuno already confirmed their attendance. Mr. Mizuno requested that this agenda item be added to the November 24, 2020 Board meeting.

2. HMSA Reversing Heart Disease Program
   Mr. Mizuno summarized the Committee report noting no recommendation. Mr. Mizuno also noted that this program is the only intensive cardiac rehabilitation therapy benefit that is covered by Medicare and offered in Hawaii and HMSA presented a comparison between the Medicare and expanded HMSA eligibility criteria, costs of the program, and the lack of alternative treatment options. The Board deferred this item to the November 24, 2020 Board meeting.

3. Humana Plan Changes effective January 1, 2021
   Mr. Mizuno summarized the Committee report in which Humana informed the Committee of recent federally mandated benefit changes (COVID-19 diagnostic testing coverage at 100% and acupuncture coverage) and recommended additional coverage of COVID-19 treatment costs and benefits and telehealth visits for calendar year 2021.

MOTION was made and seconded to approve the Benefit Committee’s recommendation to adopt the following COVID-19 benefit changes for the EUTF Humana Medicare Advantage medical plan for calendar year 2021 (all of which are not subject to the deductible):

1. Coverage of COVID-19 tests, treatment costs, telehealth visits, Care Package and Health Essentials Kit with no member out-of-pocket costs
2. Coverage of in-network telehealth visits for primary care, urgent care, and behavioral health and substance abuse at 100%
3. Coverage of in-network non-COVID-19 related telehealth specialist visits at 90% and
4. Coverage of out-of-network non-COVID related telehealth visits at 90%

(Johnston/Tui) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

4. Update on the COVID-19 testing benefit under HMSA and Kaiser Permanente plans
Mr. Mizuno summarized the Committee report noting that the following previously Board approved benefits have been extended through January 20, 2021, the new end date of the national public health emergency:
1. Kaiser and HMSA coverage of COVID-19 diagnostic tests at 100%
2. Kaiser coverage of COVID-19 tests prior to a surgical procedure and any admission to their hospital at 100%

Mr. Mizuno also noted that the Committee is recommending 100% coverage of pre-travel COVID-19 tests for Kaiser EUTF and HSTA VB members returning to Hawaii from out-of-state and for inter-island travel effective October 15, 2020 through the end of the national public health emergency.

MOTION was made and seconded to approve the Benefits Committee’s recommendation to cover pre-travel COVID-19 testing at 100% for EUTF and HSTA VB Kaiser active employee and retiree plans for members returning to Hawaii and traveling inter-island effective October 15, 2020 through the national pandemic health emergency. (Tui/Wataru) The motion passed unanimously. (Employer Trustees-4 YES Becker, Elefante, Hidano, Wada, 1 ABSTAIN Johnston/Employee-Beneficiary Trustees-5 Ferguson-Miyamoto, Fern, Nip, Tui, Wataru)

V. NEW BUSINESS
A. City Council, City and County of Honolulu Resolution 20-247 Requesting the Legislature to Enact Legislation Requiring the Provision of Health Benefits to State and County Employees and Retirees Using a Self-Insured Model
Mr. Mizuno informed the Board of a City Council of Honolulu Resolution mandating that the EUTF use a self-insured model for the EUTF health plans. Mr. Mizuno noted that similar bills have been proposed at the State Legislature that would remove the flexibility that the Board has in funding/insurance models for the EUTF health plans. Mr. Mizuno recommends that the Board oppose this resolution.

MOTION was made and seconded to oppose City Council, Resolution 20-247. (Nip/Fern) Trustee Christian Fern suggested adding the difficulties encountered (i.e. insolvency) in the past when the HMSA medical plans were self-insured. The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

VI. OLD BUSINESS
A. Use of EUTF Reserve Funds for 100% Coverage of Furloughed Active Employees’ Healthcare Premiums
Mr. Mizuno reported that there is no update.

VII. REPORTS

A. Segal
1. Fourth Quarter Segal Trend Report
   Mr. Stephen Murphy summarized the Fourth Quarter Segal Trend Report.

B. Administrator
1. Meetings with legislators and unions
2. Public engagement

C. EUTF Managers’, Program Specialist and Benefits Audit Specialist Reports
1. Member Services Branch (MSB)
   a. MSB Data
      Mr. Mizuno noted the drop in the call answer rates for September 2020 (57.45% within 30 seconds) which continued into October. Beginning Monday, November 2nd, two additional Member Service Representatives will switch from remote work (i.e. enrollment form processing) to in-office answering of phones.
   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
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 July 31, 2020

D. Carrier Reports
1. CVS Caremark
2. SilverScript
3. Hawaii Dental Service (HDS)
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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
The Board meeting recessed and moved into Executive Session at 9:54 a.m.

The regular meeting reconvened at 10:20 a.m.

Chairperson Becker reported that the Board approved to suspend in person provision of Rules 1.08(b).

VIII. NEXT MEETING DATE
Tuesday, November 24, 2020, 9:00 a.m. – Benefits and Investment Committee Reports

IX. ADJOURNMENT
MOTION was made and seconded for the Board to adjourn the meeting at 10:21 a.m.
(Ferguson-Miyamoto/Elefante) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

Christian Fern, Secretary-Treasurer

APPROVED on November 24, 2020.

Documents Distributed:
1. Draft Board Minutes of September 29, 2020. (6 pages)
2. Memorandum to BOT from EUTF Investment Committee Regarding October 20, 2020 Investment Committee Meeting Report, dated October 20, 2020. (1 page)
3. Memorandum to BOT from EUTF Benefits Committee Regarding Benefits Committee Meeting Report, dated October 26, 2020. (2 pages)
4. City Council, City and County of Honolulu, Resolution No. 20-247, dated September 25, 2020. (3 pages)
5. Testimony by EUTF Administrator to City Council of the City and County of Honolulu Committee on Executive Matters and Legal Affairs on Resolution 20-247, dated October 20, 2020. (4 pages)
8. Memorandum to BOT from Member Services Branch Manager Regarding September – October 2020 Member Services Operations Report, dated October 16, 2020. (6 pages)
9. Memorandum to BOT from Information Systems Chief Regarding September – October 2020