I. CALL TO ORDER
The meeting of the Board of Trustees was called to order at 9:00 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, December 15, 2020.

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. The Trustees noted that the overall status was yellow which reflect risks related to the scheduling of items in the future rather than earlier in the project. Trustee Laurel Johnston suggested having items related to the employers earlier in the project. Mr. Derek Mizuno noted that is one of the concerns of EUTF staff and Segal that is driving the yellow rating and that this is being reviewed by Morneau Shepell.

III. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:41 a.m. (Wataru/Johnston) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 10:48 a.m.

Chairperson Becker reported that the Board approved the following:
- An appeal to waive amounts owed relating to an ex-spouse.
- An appeal to allow reinstatement of coverage terminated due to non-payment of premiums.

IV. MINUTES – NOVEMBER 24, 2020

The Board reviewed the draft minutes of November 24, 2020.

MOTION was made and seconded to approve the minutes of November 24, 2020. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

V. OLD BUSINESS

A. Use of EUTF Reserve Funds for 100% Coverage of Furloughed Active Employees’ Healthcare Premiums

Mr. Mizuno noted there is approximately $59 million of reserves as of August 31, 2020 related to the employee plans. The Board could provide a one-month premium holiday for all employers and employees (for all employee plans) at an estimated cost of $56 million or a “buy-down” of premiums (i.e. maintaining the same premium dollar amount for the period July 1, 2020 – June 30, 2022) by using reserves to pay the difference between the actual premiums charged by the carriers for July 1, 2021 – June 30, 2022 and the July 1, 2020 – June 30, 2021 current premiums which would cost about the same amount as the premium holiday. Mr. Mizuno noted that it would be extremely difficult to identify and provide the premium holiday or “buy-down” to only furloughed employees and suggested making the change for all employees and all employers. Mr. Mizuno noted that the State would save about $30 million under the one-month premium holiday scenario. Mr. Mizuno also noted that EUTF staff investigated the possibility of conducting a special open enrollment effective March 1, 2021 noting that federal law would not allow a change in the pre-tax premiums prior to the regular open enrollment without a qualifying event. As such, EUTF staff do not recommend this option.

The Trustees decided to wait and see what transpires with furloughs before making a decision.
II. NEW BUSINESS (continued)

B. Kaiser Permanente COVID-19 Coverage

Mr. Troy Tomita, Kaiser Permanente, presented a memorandum dated December 15, 2020 noting that Kaiser has not decided whether they will continue with 100% coverage of COVID-19 treatment costs after December 31, 2020 and that in accordance with federal laws the COVID-19 vaccinations will be covered at 100%. Mr. Mizuno noted that at the April 28, 2020 Board meeting, the Board delegated the continuation and termination of the 100% coverage for COVID-19 treatment costs to Kaiser. Kaiser noted in response to a question from Trustee Johnston that Kaiser will be emailing and/or texting members weekly with COVID-19 updates.

C. HMSA COVID-19 Coverage

Mr. Stacia Baek, HMSA, presented a memorandum dated December 15, 2020 noting the following:

- HMSA is not covering pre-travel COVID-19 testing.
- Coverage of COVID-19 treatment costs and all telehealth at 100% will be ending at December 31, 2020 and will be covered thereafter at standard plan benefits.
- HMSA is recommending extension of 100% of COVID-19 diagnostic testing costs for asymptomatic patients prior to elective surgery for services incurred through March 31, 2021.
- COVID-19 vaccinations and diagnostic testing will be covered at 100% in accordance with federal law.

Trustee Fern noted his appreciation for HMSA CEO Dr. Mark Mugiishi’s participation on COVID-19 advisory groups but raised concerns about HMSA not covering pre-travel COVID-19 testing as the largest health insurer in the State. Trustee Johnston asked HMSA how they will be communicating changes to the membership. Ms. Baek noted that periodic emails are sent to employer groups and Mr. Mizuno noted that the changes will be included in the ERS Holomua that will be circulated at the end of the month.

MOTION was made and seconded to extend 100% coverage of COVID-19 diagnostic testing costs for asymptomatic patients prior to elective surgery for services incurred through March 31, 2021. (Wataru/Johnston) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

D. Self-Funded Prescription Drug (Administered by CVS) Rates for Active Employees Effective July 1, 2021

Mr. Steve Murphy, Segal Consulting, presented their recommendation of the active employee prescription drug premiums for July 1, 2021 – June 30, 2022.

MOTION was made and seconded to discuss approval of the self-funded prescription drug, administered by CVS, rates for active employees effective July 1, 2021 as recommended by the benefits consultant. (Johnston/Hidano) Trustee Fern asked about the Board’s responsibility for approving these premiums at this time. Mr. Mizuno noted that the self-funded prescription drug premiums are at the Board’s discretion and EUTF staff prefer a decision by the January 11, 2021 Board meeting to include the rates in the printed Active Employee Reference Guide. Mr. Mizuno did note that for open enrollment most employees receive an electronic version in March. Trustee Fern suggested waiting on approval of these premiums until more information is known about the furloughs. The
motion failed. (Employer Trustees-3 YES Becker, Hidano, Johnston/Employee-Beneficiary Trustees-5 NO Ferguson-Miyamoto, Fern, Nip, Tui, Wataru)

E. Self-Funded Supplemental Medical and Prescription Drug Rates for Active Employees Effective July 1, 2021
Mr. Murphy presented their recommendation of the active employee supplemental medical and prescription drug plan premiums for July 1, 2021 – June 30, 2022.

MOTION was made and seconded to approve the self-funded supplemental medical and prescription drug rates for active employees effective July 1, 2021 as recommended by the benefits consultant. (Johnston/Becker) The motion failed. (Employer Trustees-3 YES Becker, Hidano, Johnston/Employee-Beneficiary Trustees-5 NO Ferguson-Miyamoto, Fern, Nip, Tui, Wataru)

F. Board Meeting Schedule for Fiscal Year 2022
Mr. Mizuno presented a memorandum dated December 10, 2020 regarding the Board meeting schedule for fiscal year 2022.

VI. REPORTS
A. Segal
   1. Public Sector Benefits Compliance News Update
      a. What We Know Today: COVID-19 Vaccine Considerations
      b. Compliance News Updates
      Mr. Murphy summarized the Segal reports.

B. Administrator
   1. Meetings with legislators and unions
   2. Public engagement
   3. Staffing update
   4. Impact of furloughs
      Mr. Mizuno updated the Board noting that EUTF was asked to change their request for exemption from the furloughs to a three-month delay. The revised request was provided to Budget & Finance on Friday, December 11th.

C. EUTF Managers’, Program Specialist and Benefits Audit Specialist Reports
   1. Member Services Branch (MSB)
      a. MSB Data
      b. Outreach & Training
      c. 2021 Active Open Enrollment
      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. Humana Retiree Plan
      e. 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. 2020 Financial Audit
   e. FSB Staffing Update
   f. Financial Statements as of August 31, 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)

III. EXECUTIVE SESSION (continued)
     The Board meeting recessed and moved into Executive Session at 11:30 a.m

     The regular meeting reconvened at 12:40 p.m.

VII. NEXT MEETING DATE
     Tuesday, January 11, 2021, 9:00 a.m. – Actuarial Valuation – July 1, 2020 and Audited

VIII. ADJOURNMENT
     MOTION was made and seconded for the Board to adjourn the meeting at 12:42 p.m.
     (Johnston/Nip) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

     Respectfully submitted,

     /s/ Christian Fern, Secretary-Treasurer

APPROVED on January 11, 2021.

Documents Distributed:
1. Ariel Benefits Administration System Update, dated December 15, 2020 prepared by Morneau
   Shepell, Segal, and Accuity. (17 pages)
2. Draft Board Minutes of November 24, 2020. (10 pages)
4. Memorandum to BOT from HMSA Regarding COVID-19 related benefit enhancements (travel, previously approved, and federal mandates), dated December 15, 2020, redacted version. (3 pages)
5. Memorandum to BOT from Segal Consulting Regarding 2021/2022 Active Prescription Drug Rates, dated December 15, 2020. (3 pages)
7. Memorandum to BOT from EUTF Administrator Regarding Board Meeting Schedule for Fiscal Year 2022, dated December 10, 2020. (2 pages)
8. Memorandum to BOT from Segal Consulting Regarding Compliance News Update, dated December 15, 2020. (2 pages)
11. Segal Compliance News, ACA Percentages and Dollar Amounts, All in One Place, dated November 19, 2020. (5 pages)
13. Memorandum to BOT from Member Services Branch Manager Regarding November – December 2020 Member Services Operations Report, dated December 4, 2020. (6 pages)