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, April 27, 2021.

II. MINUTES – March 23, 2021
The Board reviewed the draft minutes of March 23, 2021.

MOTION was made and seconded to approve the minutes of March 23, 2021. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/
III. COMMITTEE REPORTS

A. Administrative Committee

1. Proposed EUTF Administrative Rule Changes
   Mr. Mizuno summarized the proposed EUTF Administrative Rule (Rules) changes
   noting two recommendations to change EUTF practices – 1) to require a Social
   Security Number or other approved individual identification number for employee-
   beneficiaries and dependents and 2) to allow employees who lose HSTA VB eligibility
   due to a bargaining unit change their choice of an EUTF medical and prescription drug
   plan. The second change is in response to a recent Board appeal. The four other
   proposed changes to the Rules are not changes in practice.

   Trustee Celeste Nip entered the meeting at 9:06 a.m.

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

2. Progress on Strategic Plan – January 1, 2018 – December 31, 2020
   Mr. Mizuno noted the progress on the strategic plan goals and objectives primarily
   related to the OPEB Trust assets and the retiree medical and prescription drug plans for
   the period of January 1, 2018 – December 31, 2020. The 7/1/20 unfunded actuarial
   accrued liability (UAAL) is 91.3% of the amount projected in the 7/1/17 actuarial
   valuation. The goal is for the 7/1/21 UAAL to be 90% of the amount projected in the
   7/1/17 actuarial valuation.

3. Draft Strategic Plan July 1, 2021 – June 30, 2025
   Mr. Mizuno noted the EUTF staff’s recommendation to continue the same values,
   vision, mission and goals. The EUTF staff will discuss the strategic plan at the April
   20, 2021 and July 2021 Benefits Committee meetings with adoption at the November
   2021 Board meeting once the tactics and measures are updated.

B. Benefits Committee

1. March 30, 2021 Meeting
   a. CVS/SSI quarterly utilization reports for the period ending 12/31/20
      Mr. Mizuno noted that for the six months ended for EUTF active employee plans
      and 12 months ended for retiree plans claim trends per member per month of 5.9%
      for active employees, 10.7% for non-Medicare retirees and 4.1% for Medicare
      retirees. Specialty and diabetes claims trends continue to be areas of concern that
      CVS and SSI are watching.

   b. Segal cost analysis report on musculoskeletal conditions
      Mr. Mizuno noted that Segal presented the incidence and impact of
      musculoskeletal conditions for the EUTF plans and nationwide, carrier current and
      possible management programs, and next steps. Segal will continue to develop
      recommendations on programs to address the medical and prescription drug plan
      cost drivers for presentation in May 2021.
2. April 20, 2021 Meeting
   a. Draft Strategic Plan July 1, 2021 – June 30, 2025
      Mr. Mizuno noted the EUTF staff’s recommendation to continue the same values, vision, mission and goals. EUTF staff will update the original Goal 2 based on Committee comments by splitting the goal on reduction of the unfunded actuarial accrued liability to two goals focusing on 1) reduction of the actuarial accrued liability and 2) achievement of investment returns net of fees of 7% within prudent levels of risk. The plan will also be discussed at the July 2021 Benefits Committee meeting with adoption at the November 2021 Board meeting once the tactics and measures are updated.

Trustee Elefante entered the meeting at 9:10 a.m.

IV. NEW BUSINESS
   A. New Chairperson (employee trustee), Vice Chairperson (employee trustee) and Secretary-Treasurer (employer trustee) Effective July 1, 2021

      MOTION was made and seconded to appoint Trustee Christian Fern as Chair of the Board effective July 1, 2021. (Wataru/Tui) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

      MOTION was made and seconded to appoint Trustee James Wataru as Vice Chair of the Board effective July 1, 2021. (Fern/Tui) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

      MOTION was made and seconded to appoint Trustee Ryker Wada as Secretary-Treasurer of the Board effective July 1, 2021. (Fern/Hidano) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-5)

V. OLD BUSINESS
   A. 2021 EUTF Related Legislation
      Mr. Mizuno noted that only two bills passed out of conference committee having a significant impact on the EUTF:
      • HB468 suspends, for the period July 1, 2021 – June 30, 2023, Act 268 mandatory employer annual required contributions to the OPEB Trust of the normal cost and an amortization payment to pay down their unfunded actuarial accrued liability over 30 years. Employer contribution of retiree premiums will be statutorily required.
      • SB1034 provides a mechanism to continue Board and Committee meetings online post pandemic as long as the Board provides one place for the public to attend (e.g. the Board room).

   B. Use of EUTF Reserve Funds
      Mr. Mizuno reported that there is no update.

VI. REPORTS
   A. Segal
      1. Legislative Update
2. Quarterly Trend Report  
   Mr. Stephen Murphy updated the Board on recent legislation and trends in the healthcare industry.

B. Administrator  
   1. Meetings with legislators and unions  
   2. Staffing update  

C. EUTF Managers’, Program Specialist and Benefits Audit Specialist Reports  
   1. Member Services Branch (MSB)  
      a. MSB Data  
      b. Outreach & Training  
      c. 2021 Active Employee Open Enrollment  
         Mr. Mizuno noted that open enrollment has been extended to Friday, May 14, 2021 from Friday, April 30, 2021 in consideration of the recently ratified collective bargaining agreements that address employer contributions to the EUTF health plans. Trustee Osa Tui asked about further extension if additional bargaining units ratify the contract over the next few weeks. Mr. Mizuno will consult with EUTF staff and get back to the Board.

   d. Carrier Reports  

2. Information Systems (IS)  
   a. EUTF New Benefits Administration System (BAS) Project  
   b. EUTF New Benefits Administration System (BAS) Project – Data Conversion  
   c. V3 Benefits Administration System Modified Phase II (Employer File Feed)  
   d. Active Open Enrollment 2021  
   e. COBRA Election Notice Changes  
   f. IP Phones  
      Ms. Mae Kishimoto, HSTA-R, asked about security procedures for EUTF teleworkers to protect the personal health information of members. Mr. Mizuno noted that the EUTF teleworkers use the State’s virtual private network (VPN). Additional data security measures are added to the VPN. EUTF teleworkers who work with personal health information are required to work in a secure location.

   g. Enrollment Counts  

3. EUTF Benefits Audit Specialist Report  
   a. Audits Currently in Progress  
   b. 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. Financial Statements as of February 28, 2021

D. Carrier Reports  
   1. CVS Caremark
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Board of Trustees Meeting
April 27, 2021 Minutes
Page 5

2. SilverScript
3. Hawaii Dental Service (HDS)
4. Hawaii Mainland Administrators (HMA)
5. Hawaii Medical Service Association (HMSA)
6. Humana
7. Kaiser Health Foundation
8. Securian
9. Vision Service Plan (VSP)

VII. EXECUTIVE SESSION
MOTION was made and seconded to move into Executive Session at 9:39 a.m.
(Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-5/
Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 10:22 a.m.

Chairperson Becker reported that the following were approved during Executive Session:
- Extension of a banking services contract.

VIII. NEXT MEETING DATE
Tuesday, May 25, 2021, 9:00 a.m. – Benefits and Investment Committee Reports.

VIII. ADJOURNMENT
MOTION was made and seconded for the Board to adjourn the meeting at 10:23 a.m.
(Wataru/Johnston) The motion passed unanimously. (Employer Trustees-5/Employee-
Beneficiary Trustees-5)

Respectfully submitted,

/s/

Christian Fern, Secretary-Treasurer

APPROVED on May 25, 2021.

Documents Distributed:
1. Draft Board Minutes of March 23, 2021. (6 pages)
2. Memorandum to BOT from Administrative Committee Regarding April 15, 2021
   Administrative Committee Meeting, dated April 16, 2021. (1 page)
3. Memorandum to BOT from EUTF Benefits Committee Regarding Benefits Committee Report,
   dated April 15, 2021, redacted version. (1 page)
4. Memorandum to BOT from EUTF Benefits Committee Regarding Benefits Committee Report
   April 20, 2021, dated April 22, 2021. (1 page)
5. Legislative Update, dated April 27, 2021. (2 pages)
6. Memorandum to BOT from Segal Consulting Regarding Compliance News Update, dated April
   27, 2021. (7 pages)
7. Memorandum to BOT from Segal Consulting Regarding Segal’s Trends Report Q2 2021, dated
April 27, 2021. (3 pages)
9. Memorandum to BOT from Member Services Branch Manager Regarding March - April 2021 Member Services Operations Report, dated April 16, 2021. (6 pages)
11. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding March – April 2021 EUTF Benefits Audit Specialist Report, dated April 16, 2021. (2 pages)
12. Memorandum to Administrator from EUTF Program Specialist Regarding March and April 2021 EUTF Program Specialist Report, dated April 16, 2021. (3 pages)
17. HMA Monthly Carrier Report for March 2021 dated April 8, 2021. (2 pages)
18. HMSA Monthly Carrier Report for March 2021 dated April 9, 2021. (3 pages)
22. VSP Monthly Carrier Report for March 2021 dated April 7, 2021. (2 pages)