

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, July 27, 2021

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson	Ms. Jacqueline Ferguson-Miyamoto (via video conference)
Mr. James Wataru, Vice Chairperson	Ms. Audrey Hidano (via video conference, excused at 11:00 a.m.)
Mr. Ryker Wada, Secretary-Treasurer (via video conference)	Ms. Laurel Johnston (via video conference)
Mr. Roderick Becker (via video conference, excused at 11:00 a.m.)	Ms. Celeste Nip (via video conference)
Mr. Damien Elefante (via video conference, joined at 9:15 a.m.)	Mr. Osa Tui (via video conference)

TRUSTEES ABSENT

None

ATTORNEY

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

EUTF STAFF

Mr. Derek Mizuno, Administrator	Ms. Linda Green (via video conference)
Ms. Donna Tonaki, Assistant Administrator	Ms. Bonny Kahalewai (via video conference)
Ms. Desiree Yamauchi	Ms. Emily Kaimulua (via video conference)
Ms. Lauren Endo (via video conference)	Ms. Lara Nitta (via video conference)

CONSULTANTS (via video conference)

Ms. Diane Clausen, PSG	Ms. Amy Timmons, Segal Consulting
Mr. Stephen Murphy, Segal Consulting	Mr. Johnny Wu, Segal Consulting
Ms. Lynn Smith, PSG	

OTHERS PRESENT (via video conference or teleconference)

Mr. Jarrett Arakawa, HMSA	Ms. Kessy Kepaa, C&C Honolulu
Ms. Terri Arceneaux, LifeWorks	Ms. Monica Kim, VSP
Ms. Stacia Baek, HMSA	Ms. Mae Kishimoto, HSTA-R
Ms. Sandra Benevides, CVS	Ms. Lauren Kohatsu, HMSA
Ms. Julie Bodenski, Humana	Mr. Chris Letoto, HMSA
Ms. Tammi Bongoll, Kaiser	Ms. Denise Mercil, Securian
Mr. Ty Bowers, CVS	Dr. Christopher Miura, Kaiser
Ms. Cheryl Byron, CVS	Mr. Kurt Neuenfeld, CVS
Mr. Su Chai, Kaiser	Ms. Julia Okinaka, Accuity
Mr. Nathan Dorward, LifeWorks	Ms. Jenna Saito, UH Manoa
Mr. Jeffrey Dragsten, AccordantCare	Mr. Mark Shelby, CVS
Mr. Thomas England, Kaiser	Mr. Dave Shiroma, Kaiser
Mr. Riley Fujisaki, House Finance	Mr. Manu Stanton, HMSA
Ms. Elaine Fujiwara, HDS	Ms. Ashley Taylor, CVS
Ms. Samantha Furutani, CVS	Mr. Jeff Tom, HMSA
Dr. Rupah Gohil, HMSA	Mr. Troy Tomita, Kaiser
Mr. Brent Griffiths, LifeWorks	Mr. Scott Yamaguchi, Kaiser
Ms. Shari Haidvogel, Humana	Ms. Regina Young, HMSA
Ms. Vanelle Hirayasu, HMA	(anonymous attendee)
Ms. Margie Horvath, LifeWorks	

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:02 a.m. by Chairperson Christian Fern, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Conference Room,

201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, July 27, 2021.

II. MINUTES – JUNE 22, 2021

The Board reviewed the draft minutes of June 22, 2021.

MOTION was made and seconded to approve the minutes of June 22, 2021. (Wataru/Tui)
The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

III. OLD BUSINESS

A. Benefits Administration System Implementation Status Update

Ms. Donna Tonaki provided the Board with an update on the status of the implementation of the new Benefits Administration System noting that LifeWorks has made progress in building and testing the new system. As a result, staff, Segal, and LifeWorks have determined that an extension of the go-live date of February 1, 2022 is not necessary at this time. However, there is still significant risk related to schedule delays. We will provide another status update at the August 24, 2021 Board meeting.

Trustee Audrey Hidano inquired about what staff is doing to move the project along. Mr. Derek Mizuno responded that staff, Segal and Accuity have been pressing LifeWorks on the schedule and that LifeWorks has previously added more resources to the project. Additionally, there are performance guarantee penalties should the project not be completed on time.

B. International Foundation of Employee Benefit Plans Annual Conference, Denver, Colorado, October 17-20, 2021.

Mr. Mizuno suggested that the EUTF cover the registration fees for this conference but not cover travel for the trustees and staff. There was no objection. Mr. Mizuno informed the trustees to contact Ms. Desiree Yamauchi if they would like to be registered.

IV. BENEFITS COMMITTEE REPORT

A. Segal update to its recommended programs noted in its cost driver analysis capstone report
Mr. Mizuno presented the Benefits Committee report from the July 20, 2021 meeting noting the Committee's recommendation to add the AccordantCare Rare program to the HMSA EUTF and HSTA VB active plans effective January 1, 2022 as recommended by Segal Consulting. Trustee Celeste Nip inquired how HMSA and AccordantCare will maximize enrollment in the program. Ms. Stacia Baek noted that HMSA will communicate with the physicians and work on messaging through the current routes – Island Scene, HealthPro newsletter to physicians, direct mail, EUTF emails and notices, Holomua, wellness events and the unions. Mr. Jeffrey Dragsten, AccordantCare, noted that 25% projected participation of eligible members was based on national participation rates. Trustee Roderick Becker asked about the return on investment claim of 2:1. Mr. Stephen Murphy responded that based on Segal's experience with other clients, they are comfortable with the return on investment claim. Segal will assist the EUTF in validating whether the program has met the return on investment guarantee of 2:1.

During the presentation, Trustee Damien Elefante entered the meeting at 9:15 a.m.

MOTION was made and seconded to approve the Benefit Committee's recommendation to add the AccordantCare Rare program at no cost share to the member under the HMSA EUTF and HSTA VB active employee plans effective January 1, 2022. (Wataru/Johnston) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

MOTION was made and seconded to approve the addition of the AccordantCare Rare program at no cost share to the member under the HMSA EUTF and HSTA VB retiree plans from January 1, 2022 through December 31, 2023 as a pilot or until sufficient data can be gathered to assess the effectiveness of the program from a health and cost perspective. (Ferguson-Miyamoto/Nip) Trustee Laurel Johnston noted that she did not vote in favor of this at the Benefits Committee meeting because of the Dannenberg issue. Trustee Hidano noted her concern about a two-year pilot. Ms. Jenna Saito, UH Manoa, asked if this was the appropriate time to make a comment about the EUTF communication with members. Chairperson Fern asked Ms. Saito to save her comments for agenda item VI.C. The motion failed. (Employer Trustees-5 NO Becker, Elefante, Hidano, Johnston, Wada/Employee-Beneficiary Trustees-5 YES Ferguson-Miyamoto, Fern, Nip, Tui, Wataru)

MOTION was made and seconded to approve the addition of the AccordantCare Rare program at no cost share to the member under the HMSA EUTF and HSTA VB retiree plans from January 1, 2022 through December 31, 2022 as a pilot or until sufficient data can be gathered to assess the effectiveness of the program from a health and cost perspective. (Ferguson-Miyamoto/Wataru) The motion failed. (Employer Trustees-5 NO Becker, Elefante, Hidano, Johnston, Wada/Employee-Beneficiary Trustees-5 YES Ferguson-Miyamoto, Fern, Nip, Tui, Wataru)

B. Strategic (7/1/21-6/30/25) and long-term plans

Mr. Mizuno noted that minor changes were made to the previously presented draft strategic plan (7/1/21-6/30/25) goals related to the medical and prescription drug claims trend and objectives focusing on member engagement with primary care providers, obesity, telehealth for mental health and advance directives. The final draft will be presented to the Board in November with updated measures. Mr. Mizuno also noted that the Benefits Committee did not have major concerns with the long-term plans that were presented to the Committee. Staff will continue to investigate these areas with the consultants and present recommendations to the Committee.

V. NEW BUSINESS

A. Permitted Interaction Group – Employer Contributions to Active Employee Plans

Chairperson Fern informed the Board of his concerns with the low contribution by the employers to the active employee health plans as noted previously by Segal and in a Pew Charitable Trust report and the current process how the employer contribution is determined. He also noted the portion of the EUTF's mission "to provide quality benefit plans that are affordable, reliable, and meet their changing needs." Trustees Johnston, Hidano, Jaqueline Ferguson-Miyamoto, and James Wataru also noted their concerns with the high cost to employees for their health plans especially for lower salaried employees. Trustee Osa Tui noted member concerns about the higher dollar contribution by the employers to two-party and family plans. Trustee Ryker Wada also noted his support to investigate improvement to the current process. Trustee Becker noted his concern whether the EUTF was the proper venue for such an investigation, especially pertaining to

employee salaries. Mr. Mizuno noted that the permitted interaction group (PIG) can be established to investigate a specific matter related to board business as long as the trustee composition does not constitute a quorum. Additional members from outside the Board can be added. The PIG reports to the Board findings and recommendations for possible action. Trustee Becker suggested that the proposed consideration be prepared in writing. Chairperson Fern suggested deferring the matter to the next meeting with Mr. Mizuno to work on a memorandum. Ms. Saito asked if a budget will be provided for the PIG. Mr. Mizuno noted that there will be no budget and any advice and time spent by the benefits consultant is included in the fixed contract.

VI. REPORTS

A. Segal

1. Trends: Statistics and Strategies for Health Plan Sponsors (Third Quarter 2021)
2. Five-Year Rate Projection with Approved 2022 Retiree Rates
Mr. Murphy summarized the two reports for the Board.

B. Administrator

1. Meetings with legislators and unions
2. Staffing update
3. Operations
Mr. Mizuno summarized the operation items for the Board.

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

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. Outreach & Training
 - c. 2022 Retiree Employee Open Enrollment
 - 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. 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
Ms. Saito suggested that EUTF include in emails to active employees such items like the HMSA campaign to increase annual physical examinations, similar to the ERS. Mr. Mizuno inquired what items ERS emails to employees. Ms. Saito mentioned pre-retirement seminars. Mr. Mizuno noted that the EUTF periodically sends emails to employees through the personnel offices regarding wellness and enrollment tips. These are in addition to the EUTF pages in the ERS' quarterly

Holomua. Mr. Mizuno noted, however, that it is good idea to include items similar to the HMSA campaign in the current EUTF emails to employees.

5. Financial Services Branch (FSB)
 - a. FSB Performance Data
 - b. Management Letter Corrective Action Plan Status
 - c. EUTF Collections
 - d. 2021 Financial Audit
 - e. Financial Statements as of May 31, 2021
- 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. Humana
 7. Kaiser Health Foundation
 8. Securian
 9. Vision Service Plan (VSP)

Ms. Mae Kishimoto, HSTA-R, requested that Board and Committee meetings continue to be conducted via video conference/teleconference. Mr. Mizuno confirmed that the public will be able to participate virtually at least through the end of the year.

VII. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 10:17 a.m. (Wataru/Tui) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

Trustees Becker and Hidano were excused during executive session at 11:00 a.m.

The regular meeting reconvened at 11:02 a.m.

VIII. NEXT MEETING DATE

Tuesday, August 24, 2021, 9:00 a.m. – Investment and Benefits Committee Reports
The Board discussed having Dr. Stephen Kemble present his opinions related to self-insurance for the EUTF at the August 24, 2021 Board meeting and for Mr. Mizuno to invite legislators and their staff.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:12 a.m. (Wataru/Johnston) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Respectfully submitted,

Ryker Wada, Secretary-Treasurer

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

July 27, 2021 Minutes

Page 6

Documents Distributed:

1. Draft Board Minutes of June 22, 2021. (6 pages)
2. Memorandum to BOT from EUTF Benefits Committee Regarding Benefits Committee Report, dated July 21, 2021. (1 page)
3. Memorandum to BOT from Segal Consulting Regarding Segal's Trends Report Q3 2021, dated July 27, 2021. (3 pages)
4. Administrator's Monthly Report to the Board for June 11, 2021 – July 16, 2021, dated July 16, 2021. (8 pages)
5. Memorandum to BOT from Member Services Branch Manager Regarding June – July 2021 Member Services Operations Report, dated July 16, 2021. (6 pages)
6. Memorandum to BOT from Information Systems Chief Regarding June – July 2021 Information Systems (IS) Operations Report, dated July 16, 2021. (10 pages)
7. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding June – July 2021 EUTF Benefits Audit Specialist Report, dated July 16, 2021. (2 pages)
8. Memorandum to Administrator from EUTF Program Specialist Regarding June – July 2021 EUTF Program Specialist Report, dated July 16, 2021. (9 pages)
9. Memorandum to BOT from EUTF Financial Management Officer Regarding June 2021 – July 2021 Financial Services Branch (FSB) Report, dated July 16, 2021. (15 pages)
10. CVS Caremark Monthly Carrier Report for June 2021 dated July 9, 2021. (2 pages)
11. SilverScript Monthly Carrier Report for June 2021 dated July 8, 2021. (3 pages)
12. HDS Monthly Carrier Report for June 2021 dated July 9, 2021. (14 pages)
13. HMA Monthly Carrier Report for June 2021 dated July 8, 2021. (2 pages)
14. HMSA Monthly Carrier Report for June 2021 dated July 12, 2021. (3 pages)
15. Humana Monthly Carrier Report for June 2021 dated July 19, 2021. (3 pages)
16. Kaiser Permanente Monthly Carrier Report for June 2021 dated July 9, 2021. (3 pages)
17. Securian Financial Monthly Carrier Report for June 2021 dated July 10, 2021. (1 page)
18. VSP Monthly Carrier Report for June 2021 dated July 9, 2021. (2 pages)