HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, September 21, 2021

TRUSTEES PRESENT
Mr. Christian Fern, Chairperson
Mr. James Wataru, Vice Chairperson
Mr. Ryker Wada, Secretary-Treasurer (via video conference)
Mr. Roderick Becker (via video conference)
Mr. Damien Elefante (via video conference, joined at 9:22 a.m.)

Mr. Christian Fern, Chairperson
Ms. Jacqueline Ferguson-Miyamoto (via audio conference)
Mr. James Wataru, Vice Chairperson
Ms. Audrey Hidano (via video conference)
Mr. Ryker Wada, Secretary-Treasurer (via video conference)
Ms. Celeste Nip (via video conference, joined at 9:14 a.m.)
Mr. Damien Elefante (via video conference, joined at 9:22 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. Donna Tonaki, Assistant Administrator
Ms. Desiree Yamauchi
Ms. Amy Cheung (via video conference)
Ms. Lauren Endo (via video conference)
Mr. Osa Tui, Deputy Attorney General (via video conference)

Ms. Linda Green (via video conference)
Ms. Bonny Kahalewai (via video conference)
Mr. Raymond Kan (via video conference)
Ms. Lara Nitta (via video conference)

CONSULTANTS (via video conference or audio conference)
Ms. Diane Clausen, PSG
Ms. Rhea Lopez, PSG
Mr. Stephen Murphy, Segal

Mr. Jarrett Arakawa, HMSA
Ms. Vanelle Hirayasu, HMA
Ms. Sandra Benevides, CVS
Ms. Jessica Kennedy-Wilkerson, MCM
Ms. Julie Bodenski, Humana
Ms. Monica Kim, VSP
Ms. Tammi Bongoll, Kaiser
Ms. Mae Kishimoto, HSTA-R
Mr. Ty Bowers, CVS
Mr. Chris Letoto, HMSA
Ms. Cheryl Byron, CVS
Ms. Denise Mercil, Securian
Mr. Luis Carbajal, CVS
Mr. Kurt Neuenfeld, CVS
Mr. Su Chai, Kaiser
Ms. Stacey Pagud, Kaiser
Mr. Thomas England, Kaiser
Mr. Dave Shiroma, Kaiser
Mr. Sean Ennis, MCM
Ms. Ashley Taylor, CVS
Ms. Riley Fujisaki, House Finance
Mr. Troy Tomita, Kaiser
Ms. Elaine Fujiwara, HDS
Mr. Albert Vargas, House Finance
Ms. Samantha Furutani, CVS
Mr. Scott Yamaguchi, Kaiser
Mr. Galen Haneda, HMSA
(anonymous attendee #2)

I. CALL TO ORDER
The meeting of the Board of Trustees was called to order at 9:01 a.m. by Chairperson Christian Fern, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, September 21, 2021.

II. MINUTES – AUGUST 24, 2021
The Board reviewed the draft minutes of August 24, 2021. Mr. Derek Mizuno noted the
following corrections:
- Page 3, line 29, “is not reasonable” is redundant and should be deleted
- Page 5, line 25, should be corrected from “$14.4 billion” to “$14.4 million”

Mr. Mizuno also noted that the $14.4 million related to annual Medicare Part B income-related monthly adjustment amounts incorrectly included the standard Medicare Part B premium amounts and should have been reported as $7.4 million. This error also impacted the estimated reduction in the State’s annual required contributions over the next 30 years from $800 million to $430 million. These amounts have been corrected in the EUTF’s proposed bills.

MOTION was made and seconded to approve the minutes of August 24, 2021, as amended.  (Wataru/Johnston) The motion passed unanimously.  (Employer Trustees-4/ Employee-Beneficiary Trustees-4)

III. EXECUTIVE SESSION
MOTION was made and seconded to move into Executive Session at 9:04 a.m.  (Wataru/Johnston) The motion passed unanimously.  (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Trustees Elefante and Nip joined the meeting during Executive Session.

The regular meeting reconvened at 9:36 a.m.

IV. NEW BUSINESS
A. Claims Audit Reports
   1. MCM CPAs & Advisors LLP Vision Claims Audit Report for Active Employees
      Mr. Sean Ennis, MCM CPAs and Advisors, presented the results of their claims audit
      of the VSP vision plan for the period July 1, 2017 – June 30, 2018 for active employees
      and calendar year 2017 for retirees noting the following:
      - Amounts to be refunded to EUTF of $1,816 related to performance guarantee non-
        compliance, $16,035 related to active employee overpayment errors and $2,100
        related to retiree overpayment errors.
      - The financial accuracy rates of 99.68% and 99.93% for active and retiree plans,
        respectively, exceeded the contractual and industry standard of 99%

      Mr. Mizuno reported that MCM had identified overpayment errors for the active plan
      related to how VSP loaded the EUTF weekly enrollment updates (834 transaction and
      full files) noting that this was corrected in June 2019.  The related error rate was
      applied to active plan claims for the other three years of the contract (7/1/15-6/30/16,
      7/1/16-6/30/17 and 7/1/18-6/30/19) resulting in $13,665 of possible overpayments.
      VSP agreed to refund EUTF this amount, in addition to the amounts noted above.  Mr.
      Mizuno also noted that VSP offers an early services benefit near plan year-end in which
      members can use a benefit for the upcoming plan year during the year in which it has
      been exhausted.  Such situations are limited to emergencies and are minimal (42 were
      identified during the audit).

   B. Prescription drug plan utilization of Ivermectin – CVS/SSI and Kaiser
Mr. Mizuno noted that this item relates to an increase in utilization of Ivermectin, which is likely being used to treat COVID-19 although it is not approved by the FDA for such treatment, that was discussed at the September 14, 2021 Benefits Committee meeting. Kaiser informed EUTF staff that they have not seen an increase in Ivermectin utilization. This is understandable for Kaiser since Kaiser doctors do not prescribe such non-FDA approved utilization. HMSA informed EUTF staff that they are also seeing an increase in Ivermectin utilization and are working with their pharmacy benefit manager to implement utilization management programs.

Ms. Diane Clause and Ms. Rhea Lopez, PSG, and Ms. Sandra Benevides and Kurt Neuenfeld, CVS, informed the Board that they are recommending a quantity limit of up to nine tablets of Ivermectin for 90 days and prior authorization for the FDA approved treatment of parasites. The number of tablets prescribed depends on the patient’s weight. It was noted that Ivermectin can be prescribed for children as well and that the same clinical criteria applies. CVS is looking at implementation in October. Mr. Ty Bowers, SilverScript, noted that they are currently working on utilization management criteria.

MOTION was made and seconded to add a utilization management program on Ivermectin to the EUTF and HSTA VB active, non-Medicare retiree and Medicare retiree self-funded prescription drug plans when available from CVS and SilverScript, subject to PSG review. (Wataru/Johnston) Trustee Roderick Becker asked if there are studies that support the use of Ivermectin for COVID-19 and if we are removing a valid treatment option for members. Ms. Lopez and Mr. Neuenfeld replied that there are no significant studies that support the off-label use of Ivermectin for COVID-19 and that there are more studied treatment options such as Remdesivir (FDA approved) and monoclonal antibodies available to treat members. The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

V. BENEFITS COMMITTEE REPORTS

A. CVS quarterly utilization reports ending 6/30/21 (reported by PSG)

Mr. Mizuno summarized the Benefits Committee report noting the following:

- Active per member per month net costs before rebates increased by 6.2% for the year ended June 30, 2021.
- Non-Medicare retiree per member per month net costs before rebates increased by 12.8% for the six-months ended June 30, 2021.
- Medicare retiree per member per month net costs before rebates increased by 0.4% for the six-months ended June 30, 2021, but were negative after rebates and subsidies.

B. CVS prescription drug plan changes

Mr. Mizuno summarized the prescription drug plan changes recommended by the Committee, those the Committee requested more information and those with no recommendation.

MOTION was made and seconded to approve the Benefits Committee’s recommendation of the following utilization management programs for the EUTF active and non-Medicare retiree self-funded prescription drug plans without grandfathering (except as noted below) effective January 1, 2022:

1. Quantity limit with post limit prior authorization for Mupirocin
2. Prior authorization for Palforzia
3. Prior authorization for Afrezza with grandfathering
4. Drug Exclusion Plan Design
5. Step therapy with post-step therapy prior authorization for Gralise, Horizant, Lyrica and Lyrica CR
6. Step therapy with post-step therapy prior authorization for oral CGRP Receptor Antagonists
7. Prior authorization for Rosacea products
8. Step therapy with post-step therapy prior authorization for Reyvow
9. Prior authorization for Acthar (Johnston/Tui) Trustee Laurel Johnston noted that the Committee had a robust discussion related to these recommendations at the Benefits Committee meeting. The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

Ms. Lopez presented information related to utilization management programs for anti-diabetic agents, DPP-4 inhibitors, omega-3 fatty acids, topical corticosteroids, Psoriasis drugs and CGRP Receptor Antagonists.

MOTION was made to adopt the following utilization management programs for the EUTF active and non-Medicare retiree (except as noted below) self-funded prescription drug plans without grandfathering effective January 1, 2022:

1. Prior authorization on omega-3 fatty acids
2. Quantity limit with post limit prior authorization for topical corticosteroids
3. Prior authorization for targeted Psoriasis drugs (actives only)
(Johnston). Mr. Mizuno suggested that the Board reconvene executive session to have CVS and PSG discuss the impact of these changes on the CVS minimum rebate guarantees. Trustee Johnston withdrew her motion.

MOTION was made and seconded to move into Executive Session at 10:42 a.m. (Johnston/Wataru) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 11:12 a.m.

MOTION was made to adopt the following utilization management programs for the EUTF active and non-Medicare retiree (except as noted below) self-funded prescription drug plans without grandfathering effective January 1, 2022:

1. Prior authorization on omega-3 fatty acids
2. Quantity limit with post limit prior authorization for topical corticosteroids
3. Prior authorization for targeted Psoriasis drugs (EUTF actives only)
(Johnston/Wataru) the motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

MOTION was made and seconded to add step therapy with post-step therapy prior authorization for intravenous and injectable CGRP Receptor Antagonists with grandfathering for the EUTF active and non-Medicare retiree self-funded prescription drug plans effective January 1, 2022. (Johnston/Wataru) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)
MOTION was made and seconded to adopt the following utilization management programs for the EUTF active and non-Medicare retiree self-funded prescription drug plans without grandfathering effective January 1, 2022:

1. Step therapy with post-step therapy prior authorization for anti-diabetic agents
2. Step therapy with post-step therapy prior authorization for DPP-4 inhibitors

(Becker/Wataru) Chairperson Fern noted his experience with a member of his family with diabetes and the concerns he has about possible disruption of treatment. Trustee Becker asked what the worst could happen to members if they were impacted by the prior authorization. Ms. Lopez and Mr. Neuenfeld replied that the member would have to try the first line agent, Metformin, first if not used in the last 180 days. The doctor would need to submit paperwork for prior authorization and the member may need to go through the appeals process if prior authorization is rejected. The motion failed. (Employer Trustees-4 YES Becker, Elefante, Hidano, Wada, 1 NO Johnston/Employee-Beneficiary Trustees-1 YES Ferguson-Miyamoto, 4 NO Fern, Nip, Tui, Wataru)

MOTION was made and seconded to adopt the following utilization management programs for the EUTF active and non-Medicare retiree self-funded prescription drug plans with grandfathering effective January 1, 2022:

1. Step therapy with post-step therapy prior authorization for anti-diabetic agents
2. Step therapy with post-step therapy prior authorization for DPP-4 inhibitors

(Tui/Wataru) Trustee Becker requested that the minimum rebate guarantee impact be discussed in executive session before voting.

MOTION was made and seconded to move into Executive Session at 11:23 a.m. (Wataru/Johnston) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 11:36 a.m.

Trustees Osa Tui and James Wataru withdrew their motion and second, respectively.

C. SilverScript Medicare Part D update
Mr. Mizuno noted that SilverScript provided an update on the various thresholds for Medicare Part D standard plans for 2022.

D. Board Adopted Pilot Programs
Mr. Mizuno noted that a listing of board adopted pilot programs was provided to the Committee for information.

VI. OLD BUSINESS
A. Permitted Interaction Group Employer Contributions to Health Benefit Plans
Deferred to next Board Meeting.

B. COVID-19 Medical Plan Coverage
Ms. Stacia Baek, HMSA, summarized HMSA changes related to COVID-19 as follows:
• Site of treatment for medically necessary COVID-19 diagnostic tests covered at 100% was being expanded to provider offices from August 1, 2021 through the end of the public health emergency.
• Audio-only telephone visits will be covered under the telehealth benefit at standard coinsurance from August 1, 2021 through December 31, 2021.

No motion was necessary as these were not considered plan changes.

VII. REPORTS
A. Segal
   1. 2022 Trend Survey
      Mr. Murphy summarized the Segal trend survey and compliance new updates.

B. Administrator
   1. Meetings with legislators and unions
   2. Staffing update
   3. Operations
      Mr. Mizuno noted that he will be meeting with legislators beginning tomorrow, due to the high COVID-19 infection numbers the office will not re-open to the public in October, and EUTF staff will be sending letters to retirees whose employer contribution base monthly contribution (BMC) level will change (e.g. 50% to 75%) due to an audit conducted by staff. Retirees will have an opportunity to change coverage during open enrollment with the BMC level changes effective January 1, 2022. EUTF will reimburse retirees for past periods if the employer contributions were too low but will not recover in situations in which past retiree contributions were too low.

C. EUTF Managers’, Program Specialist and Benefits Audit Specialist Reports
   1. Member Services Branch (MSB)
      a. MSB Data
      b. Outreach & Training
      c. 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. 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. 2021 Financial Audit
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Board of Trustees Meeting
September 21, 2021 Minutes
Page 7

e. Financial Statements as of June 30, 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)

III. EXECUTIVE SESSION (continued)
The Board meeting recessed and moved into Executive Session at 11:49 a.m

The regular meeting reconvened at 11:56 a.m.

Chairperson Fern reported that the minutes of August 24, 2021 was approved during Executive Session.

VIII. NEXT MEETING DATE
Tuesday, October 26, 2021, 9:00 a.m. - Investment Committee Report
Chairperson Fern informed the Board that the January 2022 Board Meeting will be moved from Tuesday, January 18, 2022 to Monday, January 10, 2022 to accommodate the presentation of the July 1, 2021 actuarial valuation.

IX. ADJOURNMENT
MOTION was made and seconded for the Board to adjourn the meeting at 11:58 a.m.
(Wataru/Johntson) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/
Ryker Wada, Secretary-Treasurer

APPROVED on October 26, 2021.

Documents Distributed:
1. Draft Board Minutes of August 24, 2021. (11 pages)
5. EUTF plan change proposals and recommendations, dated August 24, 2021, prepared by CVS Health, redacted version. (24 pages)
6. Memorandum to BOT from Benefits Committee, Regarding Benefits Committee Report, dated September 15, 2021. (2 pages)
7. Memorandum to BOT from Administrator, Regarding Permitted Interaction Group – Employer Contributions to Health Benefit Plans, dated August 18, 2021. (2 pages)
8. Memorandum to BOT from Benefits Specialist, Regarding Coverage of COVID-19 Related Services, dated September 21, 2021. (1 page)
9. Memorandum to BOT from HMSA, Regarding HMSA policy updates for COVID-19 testing and audio-only visits, dated September 21, 2021. (1 page)
10. Memorandum to BOT from Segal Consulting, Regarding Segal’s 2022 Health Plan Cost Trend Survey, dated September 21, 2021. (21 pages)
11. Memorandum to BOT from Segal Consulting, Regarding Compliance News Updated, dated September 21, 2021. (7 pages)
13. Memorandum to BOT from Member Services Branch Manager Regarding August – September 2021 Member Services Operations Report, dated September 10, 2021. (6 pages)
15. Memorandum to Administrator from EUTF Benefits Audit Specialist Regarding August – September 2021 EUTF Benefits Audit Specialist Report, dated September 10, 2021. (2 pages)
22. HMA Monthly Carrier Report for August 2021 dated September 10, 2021. (3 pages)