HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, October 26, 2021

TRUSTEES PRESENT
Mr. Christian Fern, Chairperson
Mr. James Wataru, Vice Chairperson
Mr. Roderick Becker (via video conference)
Mr. Damien Elefante (via video conference, joined at 9:33 a.m.)
Mr. Ryker Wada, Secretary-Treasurer

Ms. Jacqueline Ferguson-Miyamoto (via audio conference)
Ms. Audrey Hidano (via video conference)
Ms. Laurel Johnston
Ms. Celeste Nip

TRUSTEES ABSENT

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)
Ms. Linda Green (via video conference)
Ms. Bonny Kahalewai (via video conference)
Mr. Raymond Kan (via video conference)
Ms. Jessica McDonald (via video conference)
Ms. Lara Nitta (via video conference)
Mr. Kuan Yuan
Mr. Dylan Zheng (via video conference)

CONSULTANTS (via video or audio conference)
Mr. Gary Behnke, Segal Consulting
Ms. Diane Clausen, PSG
Ms. Serah Greenwalt, PSG
Mr. Stephen Murphy, Segal Consulting
Mr. Johnny Wu, Segal Consulting

OTHERS PRESENT (via video or audio conference)
Mr. Jarrett Arakawa, HMSA
Ms. Terri Arceneaux, LifeWorks
Ms. Stacia Baek, HMSA
Mr. Kevin Balaod, Pageant Media
Ms. Sandra Benevides, CVS
Ms. Carol Bernal, HMA
Ms. Julie Bodenski, Humana
Ms. Tammi Bongoll, Kaiser
Mr. Ty Bowers, CVS
Ms. Cheryl Byron, CVS
Ms. Luis Carbajal, CVS
Mr. Su Chai, Kaiser
Mr. Nathan Dorward, LifeWorks
Mr. Thomas England, Kaiser
Mr. Riley Fujisaki, House Finance
Ms. Elaine Fujiwara, HDS
Ms. Samantha Furutani, CVS
Mr. Brent Griffiths, LifeWorks
Ms. Melinda Gurney
Ms. Maile Hamada, Kaiser
Ms. Kimberly Hamlet
Mr. Galen Haneda, HMSA
Ms. Margie Horvath, LifeWorks
Mr. Daniel Kerwin, Local 5
Ms. Monica Kim, VSP
Ms. Mae Kishimoto, HSTA-R
Mr. Chris Letoto, HMSA
Ms. Denise Mercil, Securian
Dr. Christopher Miura, Kaiser
Mr. Kurt Neuenfeld, CVS
Ms. Julia Okinaka, Accuity
Ms. Stacey Pagud, Kaiser
Mr. Dave Shiroma, Kaiser
Dr. Rodd Takiguchi, Kaiser
Mr. Troy Tomita, Kaiser
Ms. Albert Vargas, House Finance
Ms. Darlene Yamada, DHRD
Mr. Scott Yamaguchi, Kaiser
(anonymous attendee)

I. CALL TO ORDER
The meeting of the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust
Fund (EUTF) was called to order at 9:02 a.m. by Chairperson Christian Fern, in the City Financial Tower Conference Room, 201 Merchant Street, Suite 1935, Honolulu, Hawaii, on Tuesday, October 26, 2021.

II. MINUTES – AUGUST 24, 2021
The Board reviewed the draft minutes of September 21, 2021.

MOTION was made and seconded to approve the minutes of September 21, 2021, as circulated. (Wataru/Johnston) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

III. NEW BUSINESS
A. Benefits Administration System Implementation Status Update
Mr. Gary Behnke, Segal, Mr. Brent Griffiths, LifeWorks, and Ms. Julia Okinaka, Accuity, provided the Board with an update on the status of the implementation of the new Benefits Administration System noting the following:
- The project has experienced some delays and is behind schedule – planned 84% complete versus actual 79%.
- Segment 4 of 4 is being rolled out to the EUTF staff over the next few weeks – training and testing. LifeWorks is also addressing defects from prior segments.
- Data Cycle 3 of 3 is also in progress although three weeks behind schedule. Data clean-up analysis is also being conducted.
- A detailed conversion and cut-over plan have been developed to begin January 7, 2022.
- LifeWorks is addressing one high and two medium security vulnerabilities that existed since March 2021.
- The team should know by the December Board meeting whether the planned February 1, 2022 "go-live" date is achievable.

Trustee Elefante entered the meeting at 9:33 a.m.

Ms. Serah Greenwalt, PSG, presented the audit results of the CVS/SilverScript prescription drug plans for the three-year periods for active employees July 1, 2015 – June 30, 2018 and retirees January 1, 2015 – December 31, 2017 noting the following:
- For the CVS active employee and non-Medicare retiree plans the finding related to performance guarantees has been resolved. CVS agrees with the PSG finding related to rebates and will refund EUTF $57,460.
- For the SilverScript Medicare retiree plans SilverScript agrees with the PSG finding related to rebates and will refund EUTF $1,259,307. PSG noted that the rebate error was found in one of the three rebate contracts audited. PSG does not believe the error is systemic. Mr. Derek Mizuno noted that during executive session, EUTF staff will recommend a contract amendment to have PSG audit additional rebate contracts in light of this finding.

IV. INVESTMENT COMMITTEE REPORTS
A. Private Equity Co-investment Guidelines
B. Education: Understanding China
Mr. Kuan Yuan summarized the Investment Committee report on private equity co-investment guidelines and an education review understanding China noting that the co-investment topic will be presented to the Investment Committee again at a future Committee meeting.

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

VI. REPORTS
A. Segal
1. Segal Compliance News – September 22 and October 6, 2021
Mr. Stephen Murphy, Segal, provided an update related to air ambulance reporting and COVID-19 vaccines and wellness incentives. The Board inquired about current air ambulance coverage levels. HMSA and Kaiser will provide such information to the Board.

B. Administrator
1. Meetings with legislators and unions
2. Staffing update
3. Operations
   Mr. Mizuno noted three recent hires that have started this week or will be starting next week and that EUTF staff do not plan to re-open to the members in November.

C. EUTF Managers’, Program Specialist and Benefits Audit Specialist Reports
1. Member Services Branch (MSB)
   a. MSB Data
   b. Outreach & Training
   Mr. Mizuno noted that 59 Microsoft Teams meetings with members have been conducted between September 8 and October 15, 2021.

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. Retiree Open Enrollment 2022
   e. Enrollment Counts

3. Eligibility and Enrollment 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. Write-Off Uncollectible Accounts  
e. 2021 Financial Audit  
f. Financial Statements as of July 31, 2021  
Mr. Mizuno noted that $290,010 of uncollectible accounts that arose prior to August 1, 2009 will be written off as they are past the six-year statute of limitation period.

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  
Mr. Troy Tomita, Kaiser, provided an update on labor negotiations with Local 5 Unite Here noting that Kaiser has worked on contingency plans in the event of a strike and operations should not be significantly impacted.

Mr. Daniel Kerwin, Local 5 Unite Here, informed the Board of the status of labor negotiations and the unions top concerns – wages, healthcare coverage, staffing levels, and working conditions. Ms. Maile Hamada, Kaiser, informed the Board about her concerns on how recent operational changes have impacted her business unit and customer service.

8. Securian  
9. Vision Service Plan (VSP)  
Ms. Mae Kishimoto, HSTA-R, asked about COVID-19 testing and treatment coverage after the public health emergency (PHE) ends. Mr. Mizuno noted that when the PHE ends or at the end of the calendar year the 100% coverage of COVID-19 testing and treatment will end and coverage will revert to standard plan levels.

VII. EXECUTIVE SESSION  
MOTION was made and seconded to move into Executive Session at 10:07 a.m. (Watari/Johnston) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

The regular meeting reconvened at 10:43 a.m.

Chairperson Fern reported that the following were approved during Executive Session:  
- September 21, 2021 minutes  
- Commitment of funds to a private equity manager, subject to contract negotiation  
- Commitment of funds to a real assets manager, subject to contract negotiation  
- Commitment of funds to a private credit manager, subject to contract negotiation

VIII. NEXT MEETING DATE  
Tuesday, November 16, 2021, 9:00 a.m. – Administrative, Benefits, and Investment Committee reports, fiduciary liability insurance renewal, and actuarial valuation assumption
discussion

IX. ADJOURNMENT
MOTION was made and seconded for the Board to adjourn the meeting at 10:45 a.m. (Wataru/Johnston) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/
Ryker Wada, Secretary-Treasurer

APPROVED on November 16, 2021.

Documents Distributed:
1. Draft Board Minutes of September 21, 2021. (8 pages)
2. Ariel Benefits Administration System Update, dated October 26, 2021, prepared by LifeWorks, Segal, and Accuity. (12 pages)
3. EUTF, Active Employee and Non-Medicare Retiree Prescription Drug Plans Administered by CVS Caremark, PBM Engagement Summary of CVS, prepared by PSG, dated October 2021, redacted version. (4 pages)
4. EUTF, Retiree EGWP Prescription Drug Plans Administered by SilverScript, PBM Engagement Summary of SilverScript, prepared by PSG, dated October 2021, redacted version. (3 pages)
5. Memorandum to BOT from Investment Committee, Regarding October 12, 2021 Investment Committee Meeting Report, dated October 12, 2021. (1 page)
8. Compliance News, prepared by Segal, dated October 6, 2021. (2 pages)
10. Memorandum to BOT from Member Services Branch Manager Regarding September – October 2021 Member Services Operations Report, dated October 15, 2021. (6 pages)
12. Memorandum to Administrator from Program Specialist (Eligibility and Enrollment) Regarding September and October 2021 EUTF Eligibility and Enrollment Report, dated October 15, 2021. (2 pages)
13. Memorandum to Administrator from EUTF Program Specialist Regarding September – October 2021 EUTF Program Specialist Report, dated October 15, 2021. (1 page)
15. CVS Caremark Monthly Carrier Report for September 2021 dated October 8, 2021. (2 pages)
17. HDS Monthly Carrier Report for September 2021 dated October 8, 2021. (2 pages)