

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Tuesday, February 15, 2022

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson	Ms. Audrey Hidano (via video conference)
Mr. James Wataru, Vice Chairperson	Mr. Wesley Machida (via video conference, excused at 11:00 a.m.)
Mr. Roderick Becker (via video conference)	Ms. Celeste Nip (via video conference)
Mr. Damien Elefante (via video conference, entered at 9:02 a.m.)	Ms. Osa Tui (via video conference)
Ms. Jacqueline Ferguson-Miyamoto	

TRUSTEES ABSENT

None

ATTORNEY

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

EUTF STAFF

Mr. Derek Mizuno, Administrator	Ms. Emily Kaimuloa (via video conference)
Ms. Donna Tonaki, Assistant Administrator	Mr. Raymond Kan (via video conference)
Ms. Desiree Yamauchi (via video conference)	Ms. Jessica McDonald
Ms. Amy Cheung (via video conference)	Ms. Lara Nitta (via video conference)
Ms. Lauren Endo (via video conference)	Mr. Brett Tatsuno (via video conference)
Ms. Linda Green (via video conference)	Mr. Kuan Yuan
Mr. Marvin Judd (via video conference)	Mr. Dylan Zheng (via video conference)
Ms. Bonny Kahalewai (via video conference)	

CONSULTANTS (via video conference)

Mr. Colin Bebee, Meketa	Mr. Stephen Murphy, Segal Consulting
Mr. Gary Behnke, Segal Consulting	Ms. Lynn Smith, PSG
Ms. Diane Clausen, PSG	Ms. Amy Timmons, Segal Consulting
Ms. Carla Goetz, PSG	Mr. Johnny Wu, Segal Consulting

OTHERS PRESENT (via video or audio conference)

Mr. Jarrett Arakawa, HMSA	Ms. Vanelle Hirayasu, HMA
Ms. Terri Arceneaux, LifeWorks	Ms. Margie Horvath, LifeWorks
Ms. Stacia Baek, HMSA	Ms. Monica Kim, VSP
Mr. Kevin Balaod, With.Intelligence	Ms. Mae Ksihimoto, HSTA-Retired
Ms. Sandra Benevides, CVS	Mr. Chris Letoto, HMSA
Ms. Julie Bodenski, Humana	Ms. Denise Mercil, Securian
Ms. Tammi Bongoll, Kaiser	Dr. Christopher Miura, Kaiser
Mr. Ty Bowers, CVS	Mr. Kurt Neuenfeld, CVS
Mr. Luis Carbajal, CVS	Ms. Julia Okinaka, Accuity
Mr. Su Chai, Kaiser	Mr. Dave Shiroma, Kaiser
Mr. Nathan Dorward, LifeWorks	Mr. Alex Stokes
Mr. Thomas England, Kaiser	Dr. Rodd Takiguchi, Kaiser
Ms. Elaine Fujiwara, HDS	Mr. Troy Tomita, Kaiser
Dr. Rupal Gohil, HMSA	Mr. Scott Yamaguchi, Kaiser
Mr. Brent Griffiths, LifeWorks	Anonymous Attendee x2
Mr. Galen Haneda, HMSA	

I. CALL TO ORDER

The meeting of the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust

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Board of Trustees Meeting

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Fund (EUTF) was called to order at 9:00 a.m. by Chairperson Christian Fern, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, February 15, 2022.

II. NEW TRUSTEES INTRODUCTION AND TRUSTEES REAPPOINTMENT

Chairperson Fern announced that Trustees Roderick Becker and Audrey Hidano were reappointed for another four-year term through December 31, 2025.

III. REVIEW OF MINUTES – JANUARY 10, 2022

The Board reviewed the draft minutes of January 10, 2022.

MOTION was made and seconded to approve the minutes of January 10, 2022, as circulated. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

IV. NEW BUSINESS

A. Selection of Board Secretary-Treasurer (Employer Trustee)

Trustee Elefante entered the meeting at 9:02 a.m.

MOTION was made and seconded to appoint Trustee Wesley Machida as Secretary-Treasurer of the Board. (Hidano/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

B. Committee Assignments

Chairperson Fern informed the Board that Trustee Machida volunteered to join the Benefits, Investment, and Emergency Appeal (1<sup>st</sup> alternate) Committees.

Trustee Becker volunteered to join the Administrative Committee.

C. 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 requesting that the go-live date be moved from March 1, 2022 to May 1, 2022 for the following reasons:

- Billing data conversion delays
- Additional time for EUTF to test
- Defects reported by EUTF
- Still unit testing functionality
- Adding functionality back into go-live: Employer portal and Data Collection Tool

Trustee Hidano reiterated her concerns from the December 2021 meeting about not having continued delays. Mr. Griffiths noted that the team is working on a timeline with important dates and resources. The trustees instructed LifeWorks, Segal, Accuity and EUTF staff to ensure that there are no more delays. Mr. Derek Mizuno requested an executive session to discuss contract matters.

MOTION was made and seconded to move into Executive Session to discuss contract

matters at 9:29 a.m. (Hidano/Nip) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 9:45 a.m.

D. 2022 EUTF RELATED LEGISLATION

Mr. Mizuno summarized the legislative bills that the EUTF staff are tracking including EUTF Board, EUTF Benefits 87A, health insurance benefit, EUTF operations, EUTF related and ERS related bills. Mr. Mizuno recommended opposing SB3259 Auditor; Study; EUTF; Health Insurance Plans the goal of the bill is not to improve EUTF but to investigate HMSA.

MOTION was made and seconded to oppose SB3259 Auditor; Study; EUTF; Health Insurance Plans. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

V. COMMITTEE REPORTS

A. Investment Committee

1. December 31, 2021 Quarterly Performance Report

Mr. Kuan Yuan and Mr. Colin Bebee, Meketa Investments (Meketa) presented the fourth-quarter 2021 quarterly performance report. The OPEB Trust Fund portfolio finished the quarter at \$6.1 billion and gained 4.4% (net of fees) for the quarter, outperforming the policy benchmark of 3.2%. Since inception (June 23, 2011), the portfolio has returned 8.4% (net of fees) versus the policy benchmark return of 8.2%.

The EUTF Trust Fund portfolio finished the quarter at \$335.4 million, up 0.5% for the quarter (net of fees). Since inception (October 1, 2013), the portfolio has returned 4.0% (net of fees).

2. Quarterly Private Equity & Private Credit Report – Q3 2021

Mr. Yuan presented the third-quarter 2021 Private Equity and Private Credit performance results. At the end of the quarter, Private Equity and Private Credit reported market values of \$399.9 million and \$180.9 million, respectively, with since inception internal rates of return of 37.5% and 15.4% (both net of fees), respectively. For the same time period, Private Equity and Private Credit outperformed their benchmarks of 23.4% and of 8.8%, respectively.

3. Quarterly Real Estate Report – Q3 2021

Mr. Yuan presented the third-quarter 2021 Private Real Assets performance results. At the end of the quarter, Private Real Assets reported a market value of \$446.6 million with a since inception return of 6.5% (net of fees), slightly underperforming the asset class benchmark of 6.6%. Asset class performance has been improving in recent quarters and there are no concerns at this point.

B. Benefits Committee

1. Kaiser Permanente annual burden of disease and HEDIS reports ending December 31, 2020
2. HMSA annual burden of disease and HEDIS reports ending December 31, 2020

Mr. Mizuno noted that the EUTF membership continues to have higher levels of obesity than the rest of Kaiser and HMSA's book of business and screening and HEDIS control measures decreased during the pandemic.

3. HMSA benefit updates

a. Audio-only telehealth visits

Mr. Mizuno noted that HMSA is extending coverage of audio only provider visits under the telehealth benefit through March 31, 2022 (from December 31, 2021) in response to rising COVID-19 cases on Hawaii.

b. Benefit changes required by the No Surprises Act

Mr. Mizuno noted that to comply with federal law the Committee is recommending changing the air ambulance out-of-network (OON) benefit to match the in-network benefit for all HMSA active and retiree medical plans.

MOTION was made and seconded to approve the Benefits Committee recommendation to change the air ambulance out-of-network coinsurance benefit under the EUTF and HSTA VB HMSA PPO active and retiree plans to match the in-network coinsurance benefit effective January 1, 2022 in accordance with federal law. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

4. Coverage of over-the-counter COVID tests

a. HMSA/CVS update

Mr. Mizuno noted that to comply with the federal government's mandate that health plans cover at home COVID-19 tests for personal use (8 tests per member per 30-day period or calendar month), EUTF is currently covering these tests under the CVS/SilverScript active and retiree prescription drug plans and the Kaiser active and non-Medicare retiree medical and prescription drug plans. HMSA has recently informed the EUTF that it will be covering the tests for its fully insured plans under the medical plan. Such coverage for the EUTF is advantageous from a cost perspective.

MOTION was made and seconded to approve the Benefits Committee recommendation to cover over-the-counter COVID-19 tests under the HMSA active and retiree medical plans effective January 15, 2022 through the end of the national public health emergency in accordance with federal law. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

Mr. Mizuno then noted that coverage under the CVS/SilverScript prescription drug plans will end February 28, 2022. The Committee is recommending covering the at home COVID-19 tests for non-Medicare retirees and dependents with only EUTF prescription drug coverage, under the CVS prescription drug plan to comply with federal law.

MOTION was made and seconded to approve the Benefits Committee recommendation to cover over-the-counter COVID-19 tests under the CVS

prescription drug plan for non-Medicare retirees and dependents enrolled in the CVS prescription drug plan only and not in an EUTF medical plan effective January 15, 2022 through the end of the national public health emergency in accordance with federal law. (Hidano/Nip) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

Mr. Mizuno noted that the federal government recently announced that Medicare will be covering the at home COVID-19 tests in the spring. At such time, HMSA will deny COVID-19 test claims from Medicare retirees.

b. Kaiser Permanente update

Mr. Mizuno noted that the Committee is also recommending coverage under the Kaiser active and retiree medical and prescription drug plans to comply with federal law (active and non-Medicare retiree plans) and be consistent with the other Kaiser plans with minimal cost impact (Medicare retiree plans).

MOTION was made and seconded to approve the Benefits Committee recommendation to cover over-the-counter COVID-19 tests under the Kaiser Permanente active and non-Medicare retiree medical and prescription drug plans effective January 15, 2022 through the end of the month in which the national public health emergency ends in accordance with federal law. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

MOTION was made and seconded to approve the Benefits Committee recommendation to cover over-the-counter COVID-19 tests under the Kaiser Permanente Senior Advantage Medicare retiree medical and prescription drug plans effective January 15, 2022 through the end of the month in which the national public health emergency ends in the same manner as the Kaiser Permanente commercial plans. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

c. Humana update

Mr. Mizuno noted that the Humana plan is not required to cover the at home COVID-19 tests.

d. HMA coverage

Mr. Mizuno noted that coverage under the HMA supplemental plan is not required by federal law. The Board has the option to cover or exclude. Coverage is provided under the members primary non-EUTF plan and the HMA plan would cover amounts over \$12 under direct reimbursement, if the primary plan meets the safe harbor requirements. The Committee is not recommending coverage as tests are currently available for less than \$12.

MOTION was made and seconded to approve the Benefits Committee recommendation to exclude coverage of over-the-counter COVID-19 tests from the active HMA supplemental medical and prescription drug plan effective January 15, 2022. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer

Trustees-4/ Employee-Beneficiary Trustees-5)

5. Segal initial analysis report on EUTF health plans  
Mr. Mizuno noted that Segal completed their analysis and identified areas of focus over the upcoming contract period to be worked with EUTF staff and the carriers.
6. 2022 health and wellness communication plan  
Mr. Mizuno noted that the Committee reviewed the 2022 health and wellness communication plan which includes webinars, Holomua and Well Aware communications, and direct mailers by the carriers.

VI. REPORTS

A. Segal

1. Quarterly Plan Performance Report through December 31, 2021
2. Quarterly Performance Guarantee Report through December 31, 2021
3. 2022 Segal Health Plan Cost Trend Survey  
Mr. Stephen Murphy, Segal, summarized the Segal reports. Mr. Mizuno noted that HDS will not be assessed the 4<sup>th</sup> quarter 2021 performance guarantee penalty related to mailing of ID cards within 48 hours because a one-day delay on December 7, 2021 caused by flooding of the HDS offices caused them to miss the performance guarantee. Mr. Mizuno noted that there's a provision in the contract related to acts of God.

B. Pharmaceutical Strategies Group (PSG)

1. CVS/SSI Plan Performance Report through December 31, 2021
2. CVS/SSI Performance Guarantee Report through December 31, 2021  
Ms. Diane Clausen, PSG, summarized the PSG report.

C. Administrator

1. Meetings with Legislators and Unions
2. Staffing Update
3. Training
4. Operations

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

1. Member Services Branch (MSB)
  - a. MSB Data
  - b. Outreach & Training
2. Information Systems (IS)
  - a. EUTF New Benefits Administration System (BAS) Project
  - b. EUTF New Benefits Administration System (BAS) Project – Data Conversion
  - c. Printer and Copier Lease Procurement
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. Refunds and Medicare Part B Overpayments Status
  - c. EUTF Collections
  - d. Financial Statements as of November 30, 2021
- E. 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)

VII. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 10:44 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

Trustee Machida was excused from the meeting at 11:00 a.m. during Executive Session.

The regular meeting reconvened at 11:16 a.m.

Chairperson Fern reported that the following were performed during Executive Session:

- Approved the December 21, 2021 and January 10, 2022 minutes.
- Denied an appeal related to a late enrollment form.
- Approval of a contract amendment for the benefits administration system.

VIII. NEXT MEETING DATE

Tuesday, March 22, 2022, 9:00 a.m. – Benefits Committee Report

IX. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:17 a.m. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/ Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

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Christian Fern, Chairperson

APPROVED on March 22, 2022.

Documents Distributed:

1. Draft Board Minutes of January 10, 2022. (6 pages)
2. EUTF Committees as of January 11, 2022. (1 page)

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3. Ariel Benefits Administration System Update, dated February 15, 2022, prepared by LifeWorks, Segal, and Accuity. (6 pages)
4. Legislative Update, dated February 14, 2022. (9 pages)
5. Memorandum to BOT from Investment Committee Regarding February 8, 2022 Investment Committee Meeting Report, dated February 8, 2022. (1 page)
6. Memorandum to BOT from EUTF Benefits Committee Regarding Confidential: Benefits Committee Report, dated February 10, 2022. (2 pages)
7. EUTF Year to Date Contract Plan Experience Report, Contract Year to Date through December 2021, prepared by Segal, dated February 15, 2022. (38 pages)
8. Memorandum to EUTF from Segal, regarding Segal's 2022 Health Plan Cost Trend Survey, dated February 15, 2022. (20 pages)
9. EUTF Prescription Drug Experience Report, 1Q-4Q 2021, prepared by PSG, dated February 7, 2022. (6 pages)
10. Memorandum to BOT from PSG, regarding 4Q 2021 CVS Performance Guarantee Reporting, dated February 8, 2022. (14 pages)
11. Administrator's Monthly Report to the Board for January 1 – February 4, 2022, dated February 4, 2022. (1 page)
12. Memorandum to BOT from Member Services Branch Manager Regarding January – February 2022 Member Services Operations Report, dated February 4, 2022. (6 pages)
13. Memorandum to BOT from Information Systems Chief Regarding January -February 2022 Information Systems (IS) Operations Report, dated February 4, 2022. (10 pages)
14. Memorandum to Administrator from Program Specialist (Eligibility and Enrollment) Regarding January-February 2022 Eligibility and Enrollment Report, dated February 4, 2022. (2 pages)
15. Memorandum to Administrator from EUTF Program Specialist Regarding January – February 2022 EUTF Program Specialist Report, dated February 4, 2022. (6 pages)
16. Memorandum to BOT from EUTF Financial Management Officer Regarding January – February 2022 Financial Services Branch (FSB) Report, dated February 4, 2022. (15 pages)
17. CVS Caremark Monthly Carrier Report for January 2022 dated February 8, 2022. (3 pages)
18. SilverScript Monthly Carrier Report for January 2022 dated February 6, 2022. (3 pages)
19. HDS Monthly Carrier Report for January 2022 dated February 9, 2022. (2 pages)
20. HMA Monthly Carrier Report for January 2022 dated February 8, 2022. (2 pages)
21. HMSA Monthly Carrier Report for January 2022 dated February 7, 2022. (3 pages)
22. Humana Monthly Carrier Report for January 2022 dated February 8, 2022. (3 pages)
23. Kaiser Permanente Monthly Carrier Report for January 2022 dated February 10, 2022. (2 pages)
24. Securian Financial Monthly Carrier Report for January 2022 dated February 10, 2022. (1 page)
25. VSP Monthly Carrier Report for January 2022 dated February 9, 2022. (2 pages)