

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
Tuesday, September 20, 2022

TRUSTEES PRESENT

Mr. Osa Tui, Chairperson (via video conference)	Ms. Jacqueline Ferguson-Miyamoto (via video conference)
Mr. Wesley Machida, Vice Chairperson (via video conference)	Mr. Christian Fern
Mr. Damien Elefante (via video conference, joined at 9:07 a.m., excused at 9:56 a.m.)	Ms. Audrey Hidano (via video conference)
	Mr. James Wataru

TRUSTEES ABSENT

Mr. Roderick Becker

ATTORNEY (via video conference)

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Ms. Linda Green (via video conference)
Ms. Desiree Yamauchi	Ms. Lara Nitta

CONSULTANTS (via video conference)

Ms. Diane Clausen, PSG	Mr. Stephen Murphy, Segal
Ms. Carla Goetz, PSG	Ms. Lynn Smith, PSG

OTHERS PRESENT (via video conference or teleconference)

Ms. Stacia Baek, HMSA	Mr. Chris Letoto, HMSA
Ms. Sandra Benevides, CVS	Ms. Charina Masatsugu, Kaiser
Ms. Julie Bodenski, Humana	Ms. Denise Mercil, Securian
Mr. Ty Bowers, CVS	Dr. Christopher Miura, Kaiser
Ms. Cheryl Byron, CVS	Mr. Kurt Neuenfeld, CVS
Mr. Richelle Cardwell	Ms. Cathy Rapozo, VSP
Mr. Jay Cariaga, HMSA	Mr. Dave Shiroma, Kaiser
Mr. Su Chai, Kaiser	Dr. Toby Smith, HMSA
Ms. Elaine Fujiwara, HDS	Mr. Guy Tingey, CVS
Dr. Rupal Gohil, HMSA	Mr. Troy Tomita, Kaiser
Mr. Galen Haneda, HMSA	Mr. Scott Yamaguchi, Kaiser
Ms. Vanelle Hirayasu, HMA	Violet
Ms. Meeye Kim, HMSA	Anonymous Attendee
Ms. Monica Kim, VSP	

I. CALL TO ORDER

The meeting of the Benefits Committee of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) was called to order at 9:00 a.m. by Trustee Osa Tui, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, September 20, 2022.

II. REVIEW OF MINUTES – August 16, 2022

The Benefits Committee reviewed the draft minutes of August 16, 2022.

MOTION was made and seconded to approve the minutes of August 16, 2022, as circulated. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-4)

Trustee Elefante entered the meeting at 9:07 a.m.

III. NEW BUSINESS

A. PSG Quarterly Utilization Reports ending June 30, 2022

Ms. Diane Clausen and Ms. Carla Goetz presented prescription drug plan reports for the 12 months ended for EUTF active plans and six months ended for retiree plans noting claim trends per member per month (PMPM) of 11.0% actives, 12.8% non-Medicare retirees and 9.8% EGWP. Specialty and diabetes claims trends continue to be areas of concern that PSG is watching. Mr. Derek Mizuno presented claims trend after rebates and EGWP subsidies.

B. PSG Prescription Drug Plan Changes

Ms. Diane Clausen and Ms. Carla Goetz, PSG, and Mr. Kurt Neuenfeld summarized the proposed plan changes.

Trustee Elefante was excused from the meeting at 9:56 a.m.

Trustee Wesley Machida noted that the CVS Basic Control Formulary did not have significant member disruption, the majority of the disruption being related to blood glucose test strips, and that the change would save the plan a significant amount, if adopted.

Trustee Christian Fern was concerned about changing the formulary in the middle of a contract. His preference would be to make such a change at the beginning of the contract.

MOTION was made and seconded to recommend to the Board adoption of the CVS Basic Control Formulary for the EUTF active employee and non-Medicare retiree prescription drug plans administered by CVS effective July 1, 2023. (Machida/Hidano) The motion failed. (Employer Trustees-2 YES Hidano, Machida/Employee-Beneficiary Trustees-4 NO Ferguson-Miyamoto, Fern, Tui, Wataru)

No MOTION was made to recommend to the Board adoption of the CVS Hyperinflation Management Program for the EUTF active employee and non-Medicare retiree prescription drug plans administered by CVS effective July 1, 2023.

The Trustees noted that no members under the Tier 1 strategy would be negatively impacted either by disruption or financially and those currently taking a brand that is lower in cost than the generic after rebates would benefit through lower, generic copayments.

MOTION was made and seconded to recommend to the Board adoption of the CVS Tier 1 Strategy for the EUTF active employee and non-Medicare retiree prescription drug plans administered by CVS effective July 1, 2023. (Fern/Wataru) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-4). Mr. Derek Mizuno noted that this strategy was identified by EUTF staff, Lara Nitta, and is projected to reduce plan costs for the active and non-Medicare plans by over \$1 million annually in the aggregate.

The Trustees noted that the next two recommendations from PSG were federal requirements.

MOTION was made and seconded to recommend to the Board coverage of Metformin 850 mg with \$0 copayment in accordance with federal law for the EUTF and HSTA VB active employee prescription drug plans administered by CVS effective July 1, 2023. (Machida/Wataru) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-4)

MOTION was made and seconded to recommend to the Board coverage of male condoms when prescribed with \$0 copayment in accordance with federal law for the EUTF and HSTA VB active employee prescription drug plans administered by CVS effective July 1, 2023. (Machida/Hidano) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-4)

Mr. Mizuno noted that increasing the maximum-out-of-pocket (MOOP) for the prescription drug plan bundled with the HMSA 75/25 PPO had been proposed in the past to bring the MOOP up to the level of the other EUTF active employee prescription drug plans bundled with HMSA plans.

MOTION was made and seconded to recommend to the Board increasing the annual maximum out-of-pocket to \$4,100 individual and \$8,200 family for the EUTF active employee prescription drug plan administered by CVS bundled with the HMSA 75/25 PPO medical plan effective January 1, 2024. (Machida/Hidano) The motion failed. (Employer Trustees-2 YES Hidano, Machida/Employee-Beneficiary Trustees-4 NO Ferguson-Miyamoto, Fern, Tui, Wataru)

PSG noted that the next two changes are not recommended by PSG. Mr. Mizuno noted that they are presented for information as the plan design has not been changed for a few years.

MOTION was made and seconded to recommend to the Board increasing the specialty annual maximum out-of-pocket to \$3,000 per member for the EUTF active employee prescription drug plans administered by CVS effective July 1, 2023. (Machida/Hidano) The motion failed. (Employer Trustees-2 YES Hidano, Machida/Employee-Beneficiary Trustees-4 NO Ferguson-Miyamoto, Fern, Tui, Wataru)

No MOTION was made to recommend to the Board increasing the non-specialty copayments for the EUTF active employee prescription drug plans administered by CVS effective July 1, 2023.

C. HMSA Supportive Care Update

Ms. Stacia Baek, Dr. Toby Smith, and Mr. Jay Cariaga, HMSA, presented the 2021 results of the HMSA supportive care program. Supportive care (SC) is a regular benefit under the EUTF and HSTA VB active plans and a pilot program under the EUTF and HSTA VB retiree plans through December 31, 2024. SC provides palliative, holistic care for members with serious or life-threatening conditions.

2021 was the first year out of four in which costs were not avoided in HMSA's analysis. Two main reasons for this are higher risk scores for the SC group relative to the control group and the high number of high cost utilizers in the SC group.

D. Carrier Performance Guarantees

Mr. Mizuno presented a memorandum prepared by staff that compares the carrier performance guarantees with actual carrier average performance for the period January 1, 2019 through June 30, 2022, the number of periods that the performance guarantee was missed, and recent trends. The Committee noted that in general, carriers are meeting the performance guarantees which were prepared based on historical performance and industry standards. EUTF staff and the consultants will review the performance guarantees when preparing future request for proposals.

Monica Kim, VSP, noted that they have consistently missed the performance guarantee related to answering calls within 20 seconds because the measure is specific to live calls and does not include calls answered by the automated voice response system and their internal metric is 25 seconds. In addition, only a very small portion of the calls to their national line are EUTF member calls.

IV. NEXT MEETING DATE – November 15, 2022

The next meeting agenda will include HMSA and Kaiser Permanente semi-annual utilization reports ending June 30, 2022, proposed active and retiree plan changes, the Segal and PSG active annual reports, and Segal and PSG contract extensions for FY24.

V. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 10:58 a.m. (Machida/Hidano) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Osa Tui, Chairperson

APPROVED on November 15, 2022.

Documents Distributed:

1. Draft Benefits Committee Minutes of August 16, 2022. (5 pages)
2. EUTF, Active Plan, PSG Smart Spend Report, prepared by PSG, dated September 27, 2022, Redacted Version. (37 pages)
3. EUTF, Non-Medicare Retiree Plan, PSG Smart Spend Report, prepared by PSG, dated September 20, 2022, Redacted Version. (35 pages)
4. EUTF, EGWP Plan, PSG Smart Spend Report, prepared by PSG, dated September 20, 2022, Redacted Version. (33 pages)
5. Memorandum to Benefits Committee from Benefits Specialist, regarding CVS/SilverScript Utilization Reports ending June 30, 2022, dated September 20, 2022, Redacted Version. (13 pages)
6. EUTF, Active and Non-Medicare Retiree plans, Pharmacy Benefit Change(s) for Consideration

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- & Adoption, prepared by PSG, dated September 20, 2022, Redacted Version. (31 pages)
7. HMSA Supportive Care 2021 Cost Impact Summary, January - December 2021, prepared by HMSA, dated September 20, 2022, Redacted Version. (19 pages)
 8. Memorandum to Benefits Committee from Benefits Specialist, regarding Carrier Performance Guarantees – CONFIDENTIAL, dated September 20, 2022, Redacted Version. (5 pages)