

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, December 20, 2022

TRUSTEES PRESENT

Ms. Audrey Hidano, Vice Chairperson	Mr. Christian Fern
Mr. Osa Tui, Secretary-Treasurer (via video conference)	Mr. Wesley Machida (via video conference)
Mr. Damien Elefante	Ms. Celeste Nip (via video conference)
Ms. Jacqueline Ferguson-Miyamoto	Mr. James Wataru

TRUSTEES ABSENT

Mr. Roderick Becker, Chairperson	Mr. Robert Yu
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ATTORNEY

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

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Marvin Judd (via video conference)
Ms. Donna Tonaki, Assistant Administrator	Ms. Emily Kaimulua (via video conference)
Ms. Desiree Yamauchi	Ms. Jessica McDonald
Ms. Amy Cheung (via video conference)	Mr. Todd Nishida
Ms. Lauren Endo (via video conference)	Ms. Lara Nitta (via video conference)
Ms. Linda Green (via video conference)	Mr. Jack O'Neill (via video conference)

CONSULTANTS (via video conference)

Mr. Jeff Allen, Epic Brokers	Ms. Lynn Smith, PSG
Mr. Stephen Murphy, Segal Consulting	Ms. Baelee Zeiher, Segal Consulting

OTHERS PRESENT (via video or audio conference)

Ms. Stacia Baek, HMSA	Ms. Vanelle Hirayasu, HMA
Mr. Michael Barela, Voya	Ms. Mae Kishimoto, HSTA-Retired
Ms. Melissa Belanger	Ms. Andrea Kumura
Ms. Sandra Benevides, CVS	Mr. Chris Letoto, HMSA
Ms. Julie Bodenski, Humana	Mr. Justin Maeda, NUHW
Ms. Tammi Bongoll, Kaiser	Ms. Denise Mercil, Securian
Mr. Ty Bowers, CVS	Dr. Christopher Miura, Kaiser
Mr. Su Chai, Kaiser	Mr. Kurt Neuenfeld, CVS
Mr. Joe Ebisa, WithIntelligence	Mr. Fred Seavey, NUHW
Mr. Thomas England, Kaiser	Ms. Michelle Suckow, CTI
Ms. Elaine Fujiwara, HDS	Dr. Rodd Takiguchi, Kaiser
Ms. Samantha Furutani, CVS	Mr. Troy Tomita, Kaiser
Dr. Rupah Gohil, HMSA	Mr. Scott Yamaguchi, Kaiser
Mr. Brent Griffiths, LifeWorks	Carol
Mr. Galen Haneda, HMSA	Jay
Ms. Chris Hause, Kaiser	Anonymous Attendee (x2)

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 9:09 a.m. by Vice Chairperson Audrey Hidano, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, December 20, 2022.

Vice Chairperson Hidano announced that this will be Trustee Celeste Nip's last meeting as she

is resigning from the Board effective at the end of the month. Vice Chairperson Hidano thanked Trustee Nip for her dedicated service to the EUTF members over the past 11 years.

Mr. Derek Mizuno announced that Todd Nishida was hired on December 5, 2022 as the new Information Systems Branch Chief. Mr. Nishida has over 17 years of experience in software development at HMSA and their out-sourced provider.

II. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:12 a.m. (Fern/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 9:46 a.m.

Vice Chairperson Hidano reported that the Board considered an appeal related to a retiree employer contribution group.

III. REVIEW OF MINUTES

A. November 22, 2022

B. December 6, 2022

The Board reviewed the draft minutes of November 22, 2022 and December 6, 2022.

MOTION was made and seconded to approve the minutes of November 22, 2022 and December 6, 2022, as circulated. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

IV. NEW BUSINESS

A. Claim Technologies, Inc. Claims Audit Reports

1. Kaiser Permanente Medical and Prescription Drug Plan for Active Employees July 1, 2020 – June 30, 2021 and Retirees January 1, 2020 – December 31, 2020
2. HDS Dental Plan for Active Employees July 1, 2020 – June 30, 2021 and Retirees January 1, 2020 – December 31, 2020

Ms. Michelle Suckow, Claim Technologies Inc. (CTI), summarized the claims audits noting the following:

- Based on CTI's random sample, Kaiser financial accuracy, accurate payment frequency and accurate processing frequency rates were in the lowest quartile as compared to other CTI clients. In addition, CTI also identified potential errors related to duplicate payments (\$158,938), excluded services (\$961) and eligibility (\$783). Vice Chairperson Hidano asked whether testing should have been expanded to determine if the potential errors were actual errors. Ms. Suckow and Mr. Mizuno noted that a good portion of the errors identified by CTI were errors that Kaiser had identified and corrected prior to CTI's audit and the total potential error was not material relative to the total volume of claims. Based on these factors, CTI did not believe it was necessary to ask EUTF staff to expand the sample.
- Kaiser has paid or will be paying an additional \$273,214 in missed performance guarantees.
- CTI identified one small error (\$73.40) and no performance guarantee issues during the HDS audit.

V. OLD BUSINESS

A. Benefits Administration System Implementation and Enrollment Processing Status Update
Ms. Donna Tonaki and Mr. Brent Griffiths, LifeWorks, provided the Board with an update on the implementation of the new Benefits Administration System (BAS) and enrollment processing noting the following:

- LifeWorks and EUTF staff continue to address issues related to the member portal, Medicare Part B reimbursements, transfers, HSTA VB members, and payroll deductions death and Medicare Part D imports. Acquisition of coverage deductions were corrected.
- During the month, issues arose related to retiree open enrollment that required significant LifeWorks resources resulting in less issues being resolved than planned. LifeWorks will be allocating more resources to the EUTF project.
- The current outstanding backlog of unprocessed active and retiree enrollment forms is approximately 4,465 which includes 3,250 Social Security letters related to 2023 Medicare Part B premium reimbursements vs. 5,444 for December 2020. December 2021 had an unusually high amount of forms outstanding because a postcard was sent to retirees being reimbursed at amounts lower than the standard deduction in August or September 2021. The outstanding enrollment forms also include future dated changes (e.g., retirements) and forms related to pending documentation.

B. Kaiser Permanente – Member Access to Mental and Behavioral Health Support
Mr. Mizuno provided an update on the EUTF memo that was sent to employees on December 6, 2022 notifying them of the option to submit an appeal to move from Kaiser to HMSA if they are experiencing issues related to access to mental and behavioral health services. No appeals have been received to date.

Ms. Chris Hause, Kaiser, VP Marketing, and Dr. Christopher Miura, Kaiser assigned physician, addressed questions from the trustees related to issues related to access to mental and behavioral health services.

Mr. Mizuno requested moving Executive Session and agenda items IV.B-D at this point in the meeting before opening to questions from the public since we will lose quorum in about 40 minutes, at 11:30 a.m.

MOTION was made and seconded to move Executive Session and agenda items IV.B-D to this point in the meeting (Ferguson-Miyamoto/Elefante) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

MOTION was made and seconded to move into Executive Session at 10:50 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 10:59 a.m.

IV. NEW BUSINESS (continued)

B. HMSA COVID-19 Treatment Benefit

Ms. Stacia Baik, HMSA summarized their recommendation to end 100% coverage of

COVID-19 treatment services for all EUTF and HSTA VB plans since vaccinations are now widely available. She also noted that this change is consistent with the rest of HMSA's book of business. Mr. Mizuno noted that the EUTF and HSTA VB Kaiser and Humana plans are no longer continuing the 100% coverage of COVID-19 treatment services in 2023.

MOTION was made and seconded to end 100% coverage of COVID-19 treatment services for all HMSA active employee and retiree plans effective December 31, 2022.

(Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

C. Self-Funded Prescription Drug (Administered by CVS) Rates for Active Employees Effective July 1, 2023

Mr. Jeff Allen, Epic Brokers, presented the recommendation of the active employee prescription drug premiums for July 1, 2023 – June 30, 2024 noting that the improvement in the rebate guarantees effective July 1, 2023 obtained through the recently completed mid-market check resulted in low increases or decreases.

MOTION was made and seconded to approve the self-funded prescription drug premiums for active employees effective July 1, 2023 as recommended by PSG. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

D. Self-Funded Supplemental Medical and Prescription Drug Rates (Administered by HMA) for Active Employees Effective July 1, 2023

Mr. Mizuno presented Segal's recommendation of the active employee supplemental medical and prescription drug plan premiums for July 1, 2023 – June 30, 2024.

MOTION was made and to approve the self-funded supplemental medical and prescription drug rates for active employees effective July 1, 2023 as recommended by Segal. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

E. Board Meeting Schedule for Fiscal Year 2024

Mr. Mizuno presented the proposed Board and Committee Schedule for FY 24.

VI. ADMINISTRATIVE COMMITTEE REPORT

A. Delegation of Authority

Mr. Mizuno presented the Administrative Committee's recommendation to revise the Delegation of Authority document.

MOTION was made and seconded to approve the Administrative Committee's recommendation to approve the revised Delegation of Authority document. (Machida/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

VII. REPORTS

A. Segal

1. Compliance News Update
Mr. Mizuno summarized the Segal reports.

B. Administrator

1. Meetings with Legislators and Unions
2. Public Consulting Group
3. Staffing Update
4. Training

Mr. Mizuno explained that Public Consulting Group (PCG) will start with mailers of 250 per week in January to non-Medicare retirees and non-Medicare dependents of retirees in an effort to identify and enroll members that are eligible for a Social Security Disability award and Medicare Part B. Based on the results, PCG will develop a plan to contact the larger population of 7,000-9,000.

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

1. Member Services Branch (MSB)

- a. MSB Data
- b. Outreach & Training
- c. 2023 Retiree Open Enrollment

Mr. Mizuno noted that call answer rates improved from 65.1% in October to 71.4% in November. MSB staff continue to develop ways to improve answer rates. Also, a Member Services Representative started on December 5, 2022.

2. Information Systems (IS)

- a. EUTF New Benefits Administration System (BAS) Project
- b. EUTF New Benefits Administration System (BAS) Project – Data Conversion
- c. V3 Archived Database
- d. EUTF Equipment Replacement
- 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. Refunds and Medicare Part B Overpayments Status
- c. EUTF Collections
- d. 2022 Financial Audit
- e. Financial Statements as of July 31, 2022

D. Carrier Reports

1. CVS Caremark
2. SilverScript
3. Hawaii Dental Service (HDS)
4. Hawaii Mainland Administrators (HMA)
5. Hawaii Medical Service Association (HMSA)

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6. Humana
7. Kaiser Health Foundation
8. Securian
9. Vision Service Plan (VSP)

Ms. Mae Kishimoto, HSTA-Retired, requested an update on the server room ventilation issues and had concerns about losing server data. Mr. Mizuno confirmed that the new door with louvers have lowered the temperature to acceptable levels in the server room and that the servers in that room are internal file servers only. EUTF is working with building management to modify the louvers to allow for better ventilation.

VIII. NEXT MEETING DATE

Monday, January 9, 2023, 9:00 a.m. – July 1, 2022 Actuarial Valuation and June 30, 2022 Audited Financial Statements

IX. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:15 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/ Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

Osa Tui, Secretary-Treasurer

APPROVED on January 9, 2023.

Documents Distributed:

1. Draft Board Minutes of November 22, 2022. (11 pages)
2. Draft Board Minutes of December 6, 2022. (3 pages)
3. Claims Administration Audits, Kaiser Permanente and Hawaii Dental Service, prepared by Claim Technologies Incorporated, dated December 14, 2022. (11 pages)
4. Comprehensive Claim Administration Audit, Executive Summary Report, EUTF Medical Plans Administered by Kaiser Permanente, Audit Period, Actives: July 1, 2020 through June 30, 2021, Retirees: January 1, 2020 through December 31, 2020, prepared by Claim Technologies Incorporated, dated December 14, 2022. (10 pages)
5. Comprehensive Claim Administration Audit, Executive Summary Report, EUTF Dental Plans Administered by Hawaii Dental Service, Audit Period, Actives: July 1, 2020 through June 30, 2021, Retirees: January 1, 2020 through December 31, 2020, prepared by Claim Technologies Incorporated, dated November 16, 2022. (7 pages)
6. Hawaii EUTF – Ariel BAS Updated, prepared by LifeWorks, dated December 20, 2022. (4 pages)
7. Memorandum to BOT from HMSA, regarding COVID-19 treatment cost update, dated December 20, 2022, Redacted version. (1 page)
8. Memorandum to BOT from EPIC Insurance Brokers & Consultants, regarding 2023/2024 Active Prescription Drug Rates, dated December 14, 2022. (3 pages)
9. Memorandum to BOT from Segal Consulting, regarding 2023/2024 Active Supplemental

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- Medical and Prescription Drug Plan Rates, dated December 5, 2022. (3 pages)
10. Memorandum to BOT from Administrator, regarding Board Meeting Schedule for Fiscal Year 2024, dated December 15, 2022. (2 pages)
 11. Memorandum to BOT from Administrative Committee, regarding November 30, 2022 Administrative Committee Meeting, dated November 30, 2022. (2 pages)
 12. Memorandum to BOT from Segal Consulting, regarding Meeting of the Board of Trustees – Segal Reports, dated December 20, 2022. (7 pages)
 13. Administrator’s Monthly Report to the Board for November 11 – December 9, 2022, dated December 9, 2022. (1 page)
 14. Memorandum to BOT from Member Services Branch Manager, regarding November-December 2022 Member Services Operations Report, dated December 9, 2022. (6 pages)
 15. Memorandum to BOT from Information Systems Chief, regarding November – December 2022 Information Systems (IS) Operations Report, dated December 9, 2022. (10 pages)
 16. Memorandum to Administrator from Program Specialist (Eligibility and Enrollment) regarding November-December 2022 Eligibility and Enrollment Report, dated December 9, 2022. (2 pages)
 17. Memorandum to Administrator from EUTF Program Specialist regarding December 2022 EUTF Program Specialist Report, dated December 9, 2022. (4 pages)
 18. Memorandum to BOT from EUTF Financial Management Officer regarding November – December 2022 Financial Services Branch (FSB) Report, dated December 9, 2022. (15 pages)
 19. CVS Caremark Monthly Carrier Report for November 2022 dated December 6, 2022. (3 pages)
 20. SilverScript Monthly Carrier Report for November 2022 dated December 1, 2022. (2 pages)
 21. HDS Monthly Carrier Report for November 2022 dated December 9, 2022. (2 pages)
 22. HMA Monthly Carrier Report for November 2022 dated December 8, 2022. (2 pages)
 23. HMSA Monthly Carrier Report for November 2022 dated December 10, 2022. (3 pages)
 24. Humana Monthly Carrier Report for November 2022 dated December 8, 2022. (3 pages)
 25. Kaiser Permanente Monthly Carrier Report for November 2022 dated December 9, 2022. (2 pages)
 26. Securian Financial Monthly Carrier Report for November 2022 dated December 10, 2022. (1 page)
 27. VSP Monthly Carrier Report for November 2022 dated December 5, 2022. (2 pages)