

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
Tuesday, November 15, 2022

TRUSTEES PRESENT

Mr. Wesley Machida, Vice Chairperson (via video conference)	Mr. Christian Fern
Mr. Roderick Becker (via video conference)	Ms. Audrey Hidano (via video conference)
Ms. Jacqueline Ferguson-Miyamoto (via video conference, joined at 9:06 a.m.)	Mr. James Wataru
	Ms. Celeste Nip (via video conference, excused at 10:27 a.m.)

TRUSTEES ABSENT

Mr. Osa Tui, Chairperson	Mr. Robert Yu
Mr. Damien Elefante	

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

Ms. Diane Clausen, PSG (via video conference)	Mr. Stephen Murphy, Segal
Ms. Carla Goetz, PSG (via video conference)	Ms. Lynn Smith, PSG (via video conference)
Mr. Scott McEachern, Segal (via video conference)	Ms. Baelee Zeiher, Segal (via video conference)

OTHERS PRESENT (via video conference or teleconference)

Ms. Stacia Baek, HMSA	Mr. Chris Letoto, HMSA
Ms. Sandra Benevides, CVS	Ms. Denise Mercil, Securian
Ms. Julie Bodenski, Humana	Dr. Christopher Miura, Kaiser
Mr. Su Chai, Kaiser	Ms. Julia Morse, Kaiser
Ms. Elaine Fujiwara, HDS	Mr. Kurt Neuenfeld, CVS
Ms. Samantha Furutani, CVS	Mr. Marcus Oi, HMSA
Dr. Rupal Gohil, HMSA	Mr. Dave Shiroma, Kaiser
Mr. Galen Haneda, HMSA	Ms. Jennifer Timko, Humana
J. Hee	Mr. Guy Tingey, CVS
Ms. Vanelle Hirayasu, HMA	Mr. Troy Tomita, Kaiser
Ms. Monica Kim, VSP	Mr. Isaac Yuen, HMSA
Ms. Joni Kondo Chun, HMSA	Richelle
Mr. Kenneth Lee, Kaiser	Anonymous Attendee (x4)

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 Wesley Machida, Vice Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, November 15, 2022.

II. REVIEW OF MINUTES – September 20, 2022

The Benefits Committee reviewed the draft minutes of September 20, 2022.

MOTION was made and seconded to approve the minutes of September 20, 2022, as circulated. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

Trustee Jacqueline Ferguson-Miyamoto joined the meeting at 9:06 a.m.

III. NEW BUSINESS

A. Kaiser Permanente Semi-Annual Utilization Report for the period ending June 30, 2022

Mr. Su Chai, Kaiser Permanente, presented their annual claims report through June 30, 2022 for the active employee and six-month report for the non-Medicare retiree plans noting the year-over-year per member per month (PMPM) claims trends of 11.5% and -7.6%, respectively. Kaiser noted the following for the active plans:

- Outpatient PMPM increased by 17.6% primarily driven by COVID-19 outpatient, emergency room and lab costs.
- Other Services PMPM increased by 11.1% primarily driven by higher integrated care management and other medical service costs which were consistent with their book of business.
- Pharmacy PMPM decreased by 1.2%, driven by decrease in generic cost and increase in mail order utilization.

B. Kaiser Permanente Plan Changes

1. COVID-19 Treatment Update

Mr. Troy Tomita, Kaiser Permanente, informed the Committee that 100% coverage of COVID-19 treatment costs will end December 31, 2022 for the EUTF and HSTA VB active employee and non-Medicare retiree plans and coverage will revert to standard plan benefits effective January 1, 2023.

2. Proposed Travel Reimbursement Program

Mr. Tomita presented the Pregnancy Termination Travel Reimbursement Program (Program) that Kaiser developed in response to the recent U.S. Supreme Court decision in *Dobbs v. Jackson*. The Program covers certain travel related costs if a Kaiser member (e.g., student away at college) resides in a state in which abortion is illegal and has to travel at least 50 miles to another state for the procedure. Utilization is not expected to be significant, and Kaiser is not aware of any pregnancy terminations dating back to July 20, 2022 that would qualify under this Program, if adopted. If adopted, Kaiser will add information about the Program to its microsite.

Mr. Stephen Murphy, Segal, recommended adoption of the Program as a precaution.

MOTION was made and seconded to recommend to the Board addition of the Kaiser Permanente Pregnancy Termination Travel Reimbursement Program to EUTF and HSTA VB Kaiser Permanente active employee and non-Medicare retiree plans effective July 20, 2022 (Fern/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

C. HMSA Semi-Annual Utilization Report for the period ending June 30, 2022

Ms. Stacia Baek, HMSA, presented their annual claims report through June 30, 2022 for the active employee and six-month report for their non-Medicare and Medicare retiree plans noting the year-over-year (PMPM) claims trends of 9.0%, 11% and 18%, respectively. HMSA noted the following for the active plans:

- Increases in PMPM for inpatient (9.7%), outpatient (12.8%), professional (9.5%) and labs/radiology/other (8.0%).
- These increases were partially driven by COVID-19.

D. HMSA Proposed Plan Changes

Ms. Baek proposed coverage of artificial insemination (AI) and diagnosis and treatment of infertility to the EUTF and HSTA VB active employee and retiree PPO plans. These benefits are currently covered under the EUTF HMO plan and HMSA's book of business. The coverage under the HMO was a legacy benefit and the book of business PPO coverage was recently added in 2018. Addition of these benefits would provide less invasive and lower cost treatment alternatives to the currently covered once per lifetime in vitro benefit. The Committee discussed limits on the number of AI cycles being covered but noted that the proposed HMSA medical policy related to AI provides limits on the more expensive AI with gonadotropins. Dr. Stephen Lin, HMSA Medical Director, noted that currently diagnosis and treatment of infertility may be covered if related to a diagnosis other than infertility (e.g. irregular menstruation). Trustee Audrey Hidano raised concerns about adding benefits to the retiree plans. The Committee also discussed the projected rate impact.

Mr. Murphy noted the projected rate impact is reasonable and consistent with other state clients.

MOTION was made and seconded to recommend to the Board addition of the artificial insemination benefit to the EUTF and HSTA VB HMSA active employee plans effective July 1, 2023 (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Trustee Celeste Nip was excused at 10:27 a.m.

MOTION was made and seconded to recommend to the Board addition of the artificial insemination benefit to the EUTF and HSTA VB HMSA retiree plans effective January 1, 2024. (Fern/Wataru) The motion failed. (Employer Trustees-3 NO Becker, Hidano, Machida/Employee-Beneficiary Trustees-3 YES Ferguson-Miyamoto, Fern, Wataru)

MOTION was made and seconded to recommend to the Board addition of the diagnosis and treatment of infertility benefit to the EUTF and HSTA VB HMSA active plans effective July 1, 2023 (Fern/Wataru) The motion failed. (Employer Trustees-3 NO Becker, Hidano, Machida/Employee-Beneficiary Trustees-3 YES Ferguson-Miyamoto, Fern, Wataru)

MOTION was made and seconded to recommend to the Board addition of the diagnosis and treatment of infertility benefit to the EUTF and HSTA VB HMSA retiree plans

effective January 1, 2024 (Ferguson-Miyamoto/Wataru) The motion failed. (Employer Trustees-3 NO Becker, Hidano, Machida/Employee-Beneficiary Trustees-3 YES Ferguson-Miyamoto, Fern, Wataru)

E. Humana Benefit Update

1. Ms. Julie Bodenski, Humana, presented extension of 100% coverage of COVID-19 testing through the end of the national public health emergency (PHE) as a result of the PHE extension and new guidance from Medicare. The Committee noted there is no impact to premiums.

MOTION was made and seconded to recommend to the Board 100% coverage of COVID-19 testing through the end of the national public health emergency (Wataru/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

2. In-Home Health & Wellness Assessments

Ms. Bodenski informed the Committee that since January 1, 2021, the Humana plan has been covering In-Home Health & Wellness Assessments once per year which are designed to assess members' living situation, psychological and cognitive factors, clinical gaps and support clinical diagnoses. Mr. Derek Mizuno noted that EUTF staff is recommending formal approval of this Humana-specific benefit that was proposed in Humana's proposal to the RFP. The Committee noted there is no impact to premiums.

MOTION was made and seconded to recommend to the Board coverage of the In-Home Health & Wellness Assessments benefit under the Humana Medicare Advantage retiree plan effective January 1, 2021 through the end of the contract (Ferguson-Miyamoto/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

F. VSP Proposed Plan Changes

Out-of-Network Reimbursements

Ms. Monica Kim, VSP, presented an option to increase out-of-network reimbursements for exams, single vision lenses, bifocals, trifocals and frames to align with VSP's book of business since they had not increased since 2007. Ms. Kim noted that the current EUTF out-of-network utilization is in line with their book of business and members have options to obtain goods and services from nearby in-network providers. The Committee noted the impact to premiums.

There were no motions to increase out-of-network reimbursements.

Essential Medical Eye Care Program

Ms. Kim noted that during the pandemic, VSP replaced the Diabetic Eye Care Plus benefit with the Essential Medical Eye Care Program for its book of business which adds treatment of dry eye, pink eye, eye injury, and foreign body removal; exams and services to diagnose and monitor glaucoma and cataracts; and tests to diagnose sudden vision

changes. VSP is now proposing this benefit to the EUTF plans. This benefit would be secondary to a member's medical benefit. Ms. Kim requested that if this benefit change is adopted by EUTF to implement for both active employees and retirees on January 1, 2023. The Committee noted there is no impact to premiums.

Trustee Hidano requested that the Committee move into Executive Session to discuss legal matters with the deputy attorney general.

MOTION was made and seconded to move into Executive Session at 11:23 a.m. (Hidano/Becker) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 11:30 a.m.

MOTION was made and seconded to recommend to the Board replacing the Diabetic Eye Care Plus Program with the Essential Medical Eye Care Program under the EUTF and HSTA VB VSP active employee and retiree vision plans effective January 1, 2023 through the end of the contract (Ferguson-Miyamoto/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

G. Segal Active Annual Report for the period ending June 30, 2022

Mr. Stephen Murphy, Segal, presented their analysis of the medical, dental and vision plans noting the following Current Initiatives:

- Coverage Gap Considerations
 - HMSA PPOs – coverage of infertility diagnosis and treatment, and artificial insemination.
 - HDS – waiver of diagnostic and preventive services from the annual maximum benefit and increasing orthodontic lifetime maximum limits.
 - VSP – increasing the annual contact lens allowance.
- Consolidation of the HMSA active employee plans.
- Data mining – Segal collection and analysis of EUTF and HSTA VB medical and prescription drug claims.

EUTF staff will work with Segal on addressing the Current Initiatives.

H. **Segal Proposed Change to the Specialty Carve-Out Policy**

Mr. Murphy presented a recommendation to change the specialty carve-out policy to allow coverage of specialty medication under the HMSA medical plan if administered in a physician's office. Since 2013, EUTF has had a specialty carve-out policy based on dispensing site, requiring specialty medication administered in a physician's office to be covered under the prescription drug plan. Currently, we are the only HMSA client that does not allow such coverage under the medical plan and are an outlier nationally. This can cause disruption for the member and physician. Segal performed an analysis and reported that the financial impact would be minimal to both the plan and member.

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The Committee requested moving into Executive Session to discuss legal matters with the deputy attorney general.

MOTION was made and seconded to move into Executive Session at 12:10 p.m. (Hidano/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 12:12 p.m.

MOTION was made and seconded to recommend to the Board allowing coverage of specialty prescription drugs administered in the physician's office under the EUTF and HSTA VB HMSA active employee and retiree medical plans effective July 1, 2023 (Fern/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

- I. PSG Active Annual Report for the period ending June 30, 2022
Ms. Diane Clausen and Ms. Carla Goetz, PSG, presented their analysis of the EUTF active prescription drug plan administered by CVS noting the following:
- Current clinical and utilization management (UM) programs are generating savings that are in line with their other CVS clients.
 - Suggestion that EUTF consider a clinical prior authorization audit review by a third party, delegation of all UM services to a third party, and review of current UM programs on off-label drug use for weight loss.
 - Recommendation of a more managed/controlled formulary.
 - EUTF is out in front of copayment plan design with respect to its tier structure.

EUTF staff will work with PSG on addressing their recommendations and suggestions.

- J. PSG Prescription Drug Plan Changes
Calendar-Year Maximum Out-of-Pocket

Mr. Mizuno noted that at a previous meeting, Trustee Osa Tui asked about lowering the calendar year maximum out-of-pocket (MOOP) (\$4,350 individual and \$8,700 family) related to the prescription drug plan bundled with the HMSA HMO, 90/10 and 80/20 medical plans to the current MOOP of the HMSA 75/25 plan (\$3,150 individual and \$6,300 family). PSG noted that current MOOP levels are in line with their book of business but noted that there would be no premium impact if this change was made.

MOTION was made and seconded to recommend to the Board lowering the calendar year annual maximum out-of-pocket to \$3,150 per individual and \$6,300 per family for the EUTF active employee prescription drug plans administered by CVS effective January 1, 2024 (Wataru/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

Low Dose Aspirin

Ms. Goetz noted that low dose aspirin is no longer required to be covered by ACA for the prevention of cardiovascular disease and colorectal cancer due to the downgrade of the

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U.S. Preventive Services Task Force recommendation from B to C. However, low dose aspirin is still required to be covered for women age 12 to 59 years related to preeclampsia. The Committee noted that the projected impact is less than \$1,000 annually.

MOTION was made and seconded to recommend to the Board excluding coverage of low dose aspirin (81mg) for males ages 50 to 59 under the EUTF prescription drug plans administered by CVS effective July 1, 2023 (Becker/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

K. Types of Plan Changes

Mr. Mizuno noted that as a follow up to a previous meeting, EUTF staff prepared a summary of the types of current plan design changes including those presented to the Board for approval. This matter was deferred to a future committee meeting.

IV. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session as stated on the agenda at 12:48 p.m. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 12:58 p.m.

Vice Chairperson Machida reported that during Executive Session the Committee approved the following:

- Minutes of February 10, 2022.
- A recommendation to the Board to extend contracts for the benefits and pharmacy benefits consultant contracts

V. NEXT MEETING DATE – February 7, 2023

The next meeting agenda will include HMSA and Kaiser Permanente annual disease burden and HEDIS reports ending December 31, 2021 and the 2023 health and wellness communication plans.

VI. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 12:59 p.m. (Hidano/Becker) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

Respectfully submitted,

/s/

Osa Tui, Chairperson

APPROVED on February 7, 2023.

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Documents Distributed:

1. Draft Benefits Committee Minutes of September 20, 2022. (5 pages)
2. EUTF, cost and Utilization Summary, Actives and Non-Medicare Retirees, prepared by Kaiser Permanente, dated November 15, 2022, Redacted Version. (37 pages)
3. EUTF Semi-Annual, Cost and Utilization Summary, prepared by HMSA, dated November 15, 2022, Redacted Version. (31 pages)
4. HMSA Plan Change Overview and Authorization, 2023 EUTF Actives and 2024 EUTF Retirees, prepared by HMSA, Redacted Version. (2 pages)
5. Memorandum to BOT from HMSA, regarding Artificial Insemination (AI) Medical Policy, dated November 15, 2022. (2 pages)
6. Memorandum to Benefits Committee from Segal, regarding HMSA Plan Changes - Infertility Benefits, dated November 10, 2022, Redacted Version. (3 pages)
7. Memorandum to BOT from Humana, regarding 2023 COVID-19 coverage updates, dated November 15, 2022. (2 pages)
8. Memorandum to BOT from Humana, regarding In-Home Health & Wellness Assessments (IHWA), dated November 15, 2022, Redacted Version. (2 pages)
9. VSP, Proposed Benefit Changes, Active Effective 7/1/23, Retirees Effective 1/1/24, prepared by VSP. Redacted Version. (9 pages)
10. EUTF, 2022 Annual Analysis Report, Active Employees, prepared by Segal, dated November 15, 2022, Redacted Version. (23 pages)
11. EUTF, Proposed Change to the EUTF's Specialty Drug Carve-Out Policy, prepared by Segal, dated November 15, 2022, Redacted Version. (12 pages)
12. EUTF, Active Plan, 2022 Annual Report, prepared by PSG, dated November 15, 2022, Redacted Version. (46 pages)
13. EUTF, EUTF and HSTA VB Active Plans, MOOP and ACA Coverage Update, prepared by PSG, dated November 15, 2022. (6 pages)
14. Memorandum to Benefits Committee from EUTF Benefits Specialist, regarding Types of Plan Design Changes – CONFIDENTIAL, dated November 15, 2022, Redacted Version. (1 page)