

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, February 14, 2023

TRUSTEES PRESENT

Mr. Roderick Becker, Chairperson	Mr. Christian Fern
Ms. Audrey Hidano, Vice Chairperson	Mr. Wesley Machida (via video conference)
Mr. Damien Elefante (via video conference, joined at 9:08 a.m.)	Mr. James Wataru
Ms. Jacqueline Ferguson-Miyamoto	Mr. Robert Yu

TRUSTEES ABSENT

Mr. Osa Tui, Secretary-Treasurer

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Ms. Linda Green (via video conference)
Ms. Donna Tonaki, Assistant Administrator	Mr. Marvin Judd (via video conference)
Ms. Desiree Yamauchi	Ms. Emily Kaimuloa (via video conference)
Ms. Amy Cheung (via video conference)	Ms. Lara Nitta (via video conference)
Ms. Lauren Endo (via video conference)	

CONSULTANTS

Ms. Diane Clausen, PSG (via video conference)	Mr. Stephen Murphy, Segal Consulting
Ms. Serah Greenwalt, PSG (via video conference)	Ms. Lynn Smith, PSG (via video conference)
Mr. Brian Maas, PSG (via video conference)	Ms. Gwen Van Koningsveld, PSG (via video conference)

OTHERS PRESENT (via video or audio conference)

Ms. Stacia Baek, HMSA	Mr. Lloyd Kishi, Kaiser
Ms. Sandra Benevides, CVS	Ms. Mae Kishimoto, HSTA-Retired
Ms. Julie Bodenski, Humana	Ms. Joey Lee, HDS
Ms. Tammi Bongoll, Kaiser	Mr. Chris Letoto, HMSA
Mr. Su Chai, Kaiser	Ms. Charina Masatsugu, Kaiser
Ms. Jennifer Corrao, CVS	Crisanto Antonio Maturana IV
Ms. Erin Dey, Humana	Ms. Denise Mercil, Securian
Mr. Joe Ebisa, WithIntelligence	Dr. Christopher Miura, Kaiser
Ms. Kjirsten Elsner, Securian	Ms. Celeste Nip
Mr. Thomas England, Kaiser	Mr. Dave Shiroma, Kaiser
Ms. Samantha Furutani, CVS	Dr. Mark Sweet, HDS
Mr. Brent Griffiths, LifeWorks	Dr. Rodd Takiguchi, Kaiser
Mr. Galen Haneda, HMSA	Mr. Troy Tomita, Kaiser
Ms. Vanelle Hirayasu, HMA	Mr. Scott Yamaguchi, Kaiser
Ms. Monica Kim, VSP	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 9:01 a.m. by Chairperson Roderick Becker, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, February 14, 2023.

II. REVIEW OF MINUTES – JANUARY 9, 2023

The Board reviewed the draft minutes of January 9, 2023.

MOTION was made and seconded to approve the minutes of January 9, 2023, as circulated. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-3)

III. OLD BUSINESS

A. Benefits Administration System Implementation and Enrollment Processing Status Update

Ms. Donna Tonaki and Mr. Brent Griffiths, LifeWorks, provided an update on the implementation of the new Benefits Administration System (BAS) and enrollment processing noting the following:

- The BAS software will be upgraded prior to active open enrollment which should resolve some member login and password issues, and enhance performance, secure messaging and workflows. Trustee Robert Yu raised concerns about the complexity and difficulty of the upgrade. LifeWorks noted that most of their clients have gone through the upgrade with minimal disruption.
- The transfer process was fixed on February 9, 2023.
- LifeWorks and EUTF staff continue to address issues related to 2023 Medicare Part B reimbursements, HSTA VB members, payroll deductions, and death and Medicare Part D imports.
- The current outstanding backlog of unprocessed active and retiree enrollment forms is approximately 4,228 which includes 3,400 Social Security letters related to 2023 Medicare Part B premium reimbursements vs. 3,409 for January 2021. January 2022 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.

Trustee Elefante joined the meeting at 9:08 a.m., during the LifeWorks presentation.

IV. NEW BUSINESS

A. Claims Audit Report – PSG Prescription Claims Audit of CVS/SilverScript for Active Employees July 1, 2018 – June 30, 2021 and Retirees January 1, 2018 – December 31, 2020

Ms. Diane Clausen and Ms. Serah Greenwalt, PSG summarized their reports on the claims audit that included reviews of benefits, pricing, rebates, performance guarantees and eligibility. The significant findings in this period's audit related to financial guarantees related to pricing. CVS confirmed that they have corrected their system related to the financial guarantee findings on a go forward basis. PSG also identified less significant findings related to general dispensing rate guarantees, eligibility and rebates. PSG's prior audit included significant findings related to rebates which were minimal during the current audit period. PSG and CVS will work on finalizing the amount to be refunded to EUTF and will work on initiating the audit for the next one-year audit period.

B. 2023 EUTF Related Legislation

Mr. Derek Mizuno provided an update on the status of the three EUTF bills related to Administrator and Chief Investment Officer salaries, elimination of Medicare Part B premium reimbursements for spouses of retirees who start on or after July 1, 2023 and elimination of Medicare Part B income related monthly adjustment amounts for retirees

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and spouses of retirees who start on or after July 1, 2023. Additionally, Mr. Mizuno noted bills related to procurement, boards, public records, and health insurance coverage mandates; and a bill (HB343) from previous years that requires the State Auditor to conduct a study on EUTF self-insuring their health plans and eliminating prefunding of the retiree healthcare obligation. The study on self-insuring EUTF plans is unnecessary since the EUTF is advised by its benefits consultant on the pros and cons of self-funding and the current prefunding provisions under Act 268, Sessions Laws of Hawaii 2013 will lead to significantly lower future required contributions.

MOTION was made and seconded to oppose HB343 Relating to Unfunded Liabilities. (Fern/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-3)

V. BENEFITS COMMITTEE REPORT

- A. Kaiser Permanente Annual Disease Burden and HEDIS Report for the period ending December 31, 2021
 - B. HMSA Annual Disease Burden and HEDIS Report for the period ending December 31, 2021
 - C. 2023 Health and Wellness Communication Plan
 - D. PSG Prescription Drug Plan Changes
 - E. Types of Plan Changes
- Mr. Mizuno summarized the Benefits Committee report.

VI. REPORTS

- A. Segal
 - 1. Quarterly Plan Performance Report through December 31, 2022
 - 2. Quarterly Performance Guarantee Report through December 31, 2022
 - 3. 2023 Health Plan Cost Trend Survey Summary
 - 4. Compliance Update

Mr. Stephen Murphy, Segal, summarized the Segal reports. Certain trustees noted their concern with HMSA's low claims and coding accuracy rates. Segal and EUTF staff will work with HMSA on identifying the cause and remediation steps for presentation at the May Board meeting.

The meeting recessed at 10:29 a.m. and reconvened at 10:34 a.m.

- B. PSG
 - 1. CVS/SSI Quarterly Plan Performance Report through December 31, 2022
 - 2. CVS/SSI Quarterly Performance Guarantee Report through December 31, 2022

Ms. Diane Clausen, PSG, summarized the PSG reports.
- C. Administrator
 - 1. Meetings with Legislators and Unions
 - 2. Staffing Update
 - 3. Training
 - 4. IFEBP Staff Memoranda
- D. EUTF Managers' and Program Specialist' Reports
 - 1. Member Services Branch (MSB)

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- a. MSB Data
- b. Outreach & Training
- c. 2023 Active Open Enrollment
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. 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. Financial Statements as of September 30 and October 31, 2022
- 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 10:47 a.m. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 11:07 a.m.

Chairperson Becker reported that the following were approved during Executive Session:

- January 9, 2023 Executive Session Minutes
- Extension of an actuarial services contract
- Contract for insurance brokerage services

VIII. NEXT MEETING DATE

Tuesday, March 21, 2023, 9:00 a.m. – Investment Committee Report

IX. ADJOURNMENT

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MOTION was made and seconded for the Board to adjourn the meeting at 11:08 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-3)

Respectfully submitted,

/s/

Osa Tui, Secretary-Treasurer

APPROVED on March 21, 2023.

Documents Distributed:

1. Draft Board Minutes of January 9, 2023. (5 pages)
2. Hawaii EUTF – Ariel BAS Update, prepared by Lifeworks, dated February 14, 2023. (5 pages)
3. EUTF, Active Employee and Non-Medicare Retiree Prescription Drug Plans Administered by CVS Caremark, PBM Engagement Summary of CVS, Period Reviewed: Active Employees July 1, 2018 – June 30, 2021, Non-Medicare Retirees: January 1, 2018 – December 31, 2020, Final Report Issued: February 2023, prepared by PSG, Redacted Version. (10 pages)
4. EUTF, Retiree EGWP Prescription Drug Plans, Administered by SilverScript, PBM Engagement Summary of SilverScript, Period Reviewed: January 1, 2018 – December 31, 2020, Final Report Issued: February 2023, prepared by PSG, Redacted Version. (7 pages)
5. EUTF Legislative Update, dated February 10, 2023. (7 pages)
6. Memorandum to EUTF BOT from EUTF Benefits Committee, regarding Benefits Committee Report, dated February 7, 2023. (2 pages)
7. EUTF, Year to Date Contract Plan Experience Report, Contract Year to Date through December 2022, prepared by Segal Consulting, dated February 14, 2023. (38 pages)
8. Memorandum to EUTF BOT from Segal Consulting, regarding Segal's 2023 Health Plan Cost Trend Survey, dated February 14, 2023, Redacted Version. (38 pages)
9. Memorandum to EUTF BOT from Segal Consulting, regarding Meeting of the Board of Trustees – Compliance News, dated February 14, 2023. (7 pages)
10. EUTF, Self funded Prescription Drug Experience Report, Actives Plan Year 1-2Q; July – December 2022, Retirees & EGWP 1-4Q; January – December 2022, prepared by PSG, dated February 14, 2023. (6 pages)
11. Memorandum to EUTF BOT from PSG, regarding 4Q 2022 CVS Performance Guarantee Reporting, dated February 7, 2023. (2 pages)
12. Administrator's Monthly Report to the Board for December 30, 2022 – February 3, 2023, dated February 3, 2023. (11 pages)
13. Memorandum to BOT from Member Services Branch Manager, regarding December 2022 – February 2023 Member Services Operations Report, dated February 3, 2023. (6 pages)
14. Memorandum to BOT from Information Systems Chief, regarding December 2022 – February 2023 Information Systems (IS) Operations Report, dated February 3, 2023. (9 pages)
15. Memorandum to Administrator from Member Services Branch Manager regarding December 2022 – February 2023 Eligibility and Enrollment Report, dated February 3, 2023. (2 pages)
16. Memorandum to Administrator from EUTF Program Specialist regarding December 2022 – February 2023 EUTF Program Specialist Report, dated February 3, 2023. (9 pages)
17. Memorandum to BOT from EUTF Financial Management Officer regarding December 2022 –

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- February 2023 Financial Services Branch (FSB) Report, dated February 3, 2023. (25 pages)
18. CVS Caremark Monthly Carrier Report for January 2023 dated February 8, 2023. (3 pages)
 19. SilverScript Monthly Carrier Report for January 2023 dated February 1, 2023. (2 pages)
 20. HDS Monthly Carrier Report for January 2023 dated February 8, 2023. (3 pages)
 21. HMA Monthly Carrier Report for January 2023 dated February 8, 2023. (2 pages)
 22. HMSA Monthly Carrier Report for January 2023 dated February 10, 2023. (3 pages)
 23. Humana Monthly Carrier Report for December 2022 dated January 10, 2023. (3 pages)
 24. Humana Monthly Carrier Report for January 2023 dated February 8, 2023. (3 pages)
 25. Kaiser Permanente Monthly Carrier Report for December 2022 dated January 10, 2023.
(2 pages)
 26. Kaiser Permanente Monthly Carrier Report for January 2023 dated February 10, 2023. (2 pages)
 27. Securian Financial Monthly Carrier Report for January 2023 dated February 10, 2023. (1 page)
 28. VSP Monthly Carrier Report for January 2023 dated February 10, 2023. (2 pages)