

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Tuesday, April 25, 2023

**TRUSTEES PRESENT**

Mr. Roderick Becker, Chairperson	Mr. Christian Fern
Ms. Audrey Hidano, Vice Chairperson	Mr. Wesley Machida (via video conference)
Mr. Osa Tui, Secretary-Treasurer (via video conference)	Ms. Maureen Wakuzawa
Mr. Damien Elefante	Mr. James Wataru
Ms. Jacqueline Ferguson-Miyamoto	Mr. Robert Yu

**TRUSTEES ABSENT**

None

**ATTORNEY**

Mr. Michael Chambrella, Deputy Attorney General

**EUTF STAFF**

Mr. Derek Mizuno, Administrator	Mr. Marvin Judd (via video conference)
Ms. Donna Tonaki, Assistant Administrator	Ms. Emily Kaimulua (via video conference)
Mr. Kuan Yuan, Chief Investment Officer	Ms. Joao Marco Maffini (via video conference)
Ms. Desiree Yamauchi	Ms. Jessica McDonald (via video conference)
Ms. Amy Cheung (via video conference)	Mr. Todd Nishida (via video conference)
Mr. Michael Gadach (via video conference)	Ms. Lara Nitta
Ms. Linda Green (via video conference)	Mr. Brett Tatsuno (via video conference)

**CONSULTANTS** (via video conference)

Mr. Brian Maas, PSG	Ms. Bailee Zeiher, Segal Consulting
Mr. Stephen Murphy, Segal Consulting	

**OTHERS PRESENT** (via video or audio conference)

Ms. Stacia Baek, HMSA	Ms. Vanelle Hirayasu, HMA
Mr. Kevin Balaod, With Intelligence	Ms. Monica Kim, VSP
Mr. Michael Barela, Voya	Ms. Mae Kishimoto, HSTA-Retired
Ms. Sandra Benevides, CVS	Ms. Joey Lee, HDS
Ms. Richelle Cardwell, HMSA	Mr. Chris Letoto, HMSA
Mr. Su Chai, Kaiser	Mr. Charina Masatsugu, Kaiser
Ms. Erin Dey, Humana	Ms. Denise Mercil, Securian
Mr. Justin Emerson, CVS	Dr. Christopher Miura, Kaiser
Mr. Thomas England, Kaiser	Mr. Nathan Paulsen, Voya
Ms. Elaine Fujiwara, HDS	Mr. Dave Shiroma, Kaiser
Ms. Samantha Furutani, CVS	Mr. Guy Tingey, CVS
Ms. Reyna Galinato, HMSA	Mr. Troy Tomita, Kaiser
Mr. Brett Griffiths, LifeWorks	Mr. Scott Yamaguchi, Kaiser
Mr. Galen Haneda, HMSA	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 9:00 a.m. by Chairperson Roderick Becker, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, April 25, 2023.

**II. INTRODUCTION OF NEW EMPLOYEE-BENEFICIARY TRUSTEE**

Chairperson Becker welcomed new Trustee Maureen Wakuzawa.

III. EXECUTIVE SESSION

A. Pending Litigation Against the EUTF

This matter was deferred until the litigation team arrives.

IV. REVIEW OF MINUTES – MARCH 21, 2023

The Board reviewed the draft minutes of March 21, 2023.

MOTION was made and seconded to approve the minutes of March 21, 2023, as circulated. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-5)

V. OLD BUSINESS

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

- LifeWorks was bought out by Telus Health in September 2022. LifeWorks continues to exist as a legal entity for contract purposes but is in the process rebranding as Telus Health.
- The core upgrade of the software was completed on April 5, 2023 that addressed the member login and password issues, however, it also caused notices not to print (800) and workflows to be backed up (750). The backlogged notices were mailed out the week of April 10, 2023 and are being printed on a go forward basis. Workflows are being generated and the backlog is being cleared.
- HSTA VB member issues related to life events has been completed.
- Payroll issues are being worked on with planned completion May 31, 2023 and June 9, 2023.
- Death imports and SSI Medicare Part D enrollment projected completion is May 12 and 31, 2023, respectively.
- Retroactive corrections to BU11 (May 1, 2022 – June 15, 2022) and BU 12 & 15 (August 1, 2022 to current) employer/employee contributions were implemented the weekend of April 6, 2023. The adjustments were required as these bargaining units agreed upon employer/employee contributions later than other bargaining units. The implementation caused coverages to drop (250) and double refunds (1,500). LifeWorks and EUTF staff are investigating and fixing these issues.

B. 2023 EUTF Related Legislation

Mr. Derek Mizuno noted that the two EUTF proposed bills related to elimination of Medicare Part B spousal and income related monthly adjustment amounts for new hires from July 1, 2023 passed both the House and Senate and have been enrolled with the Governor. The third EUTF proposed bill related to the Board determining the salaries of the EUTF Administrator and Chief Investment Officer will be heard in conference committee.

VI. NEW BUSINESS

A. New Chairperson (Employee Trustee), Vice Chairperson (Employee Trustee) and Secretary-Treasurer (Employer Trustee) Effective July 1, 2023

MOTION was made and seconded to appoint Trustee Jacqueline Ferguson-Miyamoto as Chair of the Board effective July 1, 2023. (Machida/Yu) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

MOTION was made and seconded to appoint Trustee James Wataru as Vice Chair of the Board effective July 1, 2023. (Fern/Tui) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

MOTION was made and seconded to appoint Trustee Wesley Machida as Secretary-Treasurer of the Board effective July 1, 2023. (Hidano/Yu) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

III. EXECUTIVE SESSION (continued)

A. Pending Litigation Against the EUTF

MOTION was made and seconded to move into Executive Session at 9:25 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 10:43 a.m.

VI. NEW BUSINESS (continued)

B. Committee Assignments

Mr. Mizuno noted that Trustee Wakuzawa is volunteering to join the Administrative, Benefits and Investment Committees.

VII. BENEFITS COMMITTEE REPORT

A. PSG Semi-Annual Utilization Report for the period ending December 31, 2022

B. PSG Retiree Annual Report for the period ending December 31, 2022

Mr. Mizuno summarized the Benefits Committee Report related to items A & B.

C. PSG Prescription Drug Plan Changes

Mr. Mizuno summarized the PSG recommendation to adopt CVS' new utilization management (UM) strategy to ensure that EUTF active employees and non-Medicare retirees (effective July 1, 2023) are using GLP-1s (e.g. Ozempic, Rybelsus – oral form of Ozempic, Trulicity, Victoza, Mounjaro) for diabetes (as FDA-approved) rather than weight loss. The EUTF plans currently cover FDA-approved weight loss drugs such as Wegovy (same active ingredient as Ozempic and Rybelsus) and Saxenda (same active ingredient as Victoza) as long as the member is 1) considered obese based on their body mass index (BMI) or overweight based on their BMI with other chronic conditions and 2) has participated in a weight loss management program. The UM strategy includes smart logic that would look back two years for either:

1. A diagnosis of diabetes, or
2. A 30-day prescription of a diabetes drug (e.g. metformin) other than the requested drug or diabetic supply (e.g. test strips).

Members who do not pass the smart logic will be required to obtain prior authorization and have their physician confirm a diagnosis of diabetes for the GLP-1 drug to be covered by the plan. CVS estimated that approximately 500 EUTF active employees and non-Medicare retirees would require the physician confirmation. There is a \$30 fee per prior authorization review. There is no recommendation from the Benefits Committee since the Committee did not have unanimous agreement on the motion.

Trustee James Wataru voiced his concern about the EUTF and CVS not allowing coverage for medication prescribed by the member's physician. Mr. Mizuno noted Trustee Robert Yu's comment at the Benefits Committee that this utilization management program is a control to ensure that prescription drugs are prescribed appropriately. Chairperson Becker noted that physicians can still prescribe the medication but the EUTF plan will not cover the medication unless the UM criteria is met.

MOTION was made and seconded to add the CVS GLP-1 Agonist utilization management rule for EUTF active and non-Medicare retiree CVS prescription drug plans effective July 1, 2023. (Yu/Elefante) The motion passed. (Employer Trustees-5 YES Becker, Elefante, Hidano, Machida, Yu/Employee-Beneficiary Trustees-3 YES Ferguson-Miyamoto, Tui, Wakuzawa, 2 NO Fern, Wataru)

- D. PSG Update on COVID-19 Coverage under the Prescription Drug Plans
  - E. Segal Update on COVID-19 Coverage under the Medical Plans
  - F. HMSA Disease Management/Integrated Health Management Annual Improvement Plan
  - G. Kaiser Permanente Disease Management/Integrated Health Management Annual
- Mr. Mizuno summarized the Benefits Committee Report related to items D through G.

## VIII. REPORTS

- A. Segal
  - 1. Legislative Update
- B. Administrator
  - 1. Meetings with Legislators and Unions
  - 2. Staffing Update
  - 3. Training
- C. EUTF Managers' and Program Specialist' Reports
  - 1. Member Services Branch (MSB)
    - a. MSB Data
    - b. Outreach & Training
    - c. 2023 Active Open Enrollment

Mr. Mizuno noted the improved call answer from 72% in February to 77% in March and the lower call volumes in February and March 2023 versus 2022.

Mr. Mizuno noted that open enrollment has been extended to Friday, May 12, 2023 in lieu of the negotiations related to employer/employee contributions. SHOPO, UHPA, UPW and HFFA have come to agreement while HGEA and HSTA are ratifying agreements this week.

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  
Trustee Wesley Machida asked about the non-collection of overpayments related to audit or retiree agreement classification. Trustee Machida requested that this item be added to the May 2, 2023 Administrative Committee agenda.
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 December 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)
  6. Humana
  7. Kaiser Health Foundation
  8. Securian
  9. Vision Service Plan (VSP)

III. EXECUTIVE SESSION (continued)

The Board meeting recessed and moved into Executive Session at 11:15 a.m.

The regular meeting reconvened at 11:34 a.m.

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

- Two investment managers for the Tail Hedge and Long Volatility strategies, subject to contract negotiation
- March 21, 2023 Executive Session Minutes
- RFP for banking services

IX. FUTURE MEETINGS (MAY 23, 2023) AND RESCHEDULING OF AUGUST MEETING

Tuesday, May 23, 2023, 9:00 a.m. – Benefits and Investment Committee Reports

Tuesday, August 22, 2023, 9:00 a.m. – rescheduled to Tuesday, August 29, 2023

X. ADJOURNMENT

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

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MOTION was made and seconded for the Board to adjourn the meeting at 11:35 a.m. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

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Osa Tui, Secretary-Treasurer

APPROVED on May 23, 2023.

Documents Distributed:

1. Draft Board Minutes of March 21, 2023. (6 pages)
2. Hawaii EUTF – Ariel BAS Update, prepared by Lifeworks, dated April 25, 2023. (6 pages)
3. EUTF Legislative Update, dated April 20, 2023. (1 page)
4. EUTF Committees, revised April 19, 2023. (1 page)
5. Memorandum to BOT from EUTF Benefits Committee, Benefits Committee Report - CONFIDENTIAL, dated April 19, 2023, Redacted Version. (2 pages)
6. Memorandum to EUTF BOT from Segal Consulting, regarding Meeting of the Board of Trustees – Segal Reports, dated April 17, 2023. (9 pages)
7. Administrator’s Monthly Report to the Board for March 11, 2023 – April 14, 2023, dated April 14, 2023. (1 page)
8. Memorandum to BOT from Member Services Branch Manager, regarding March-April 2023 Member Services Operations Report, dated April 14, 2023. (6 pages)
9. Memorandum to BOT from Information Systems Chief, regarding March – April 2023 Information Systems (IS) Operations Report, dated April 14, 2023. (10 pages)
10. Memorandum to Administrator from Member Services Branch Manager regarding March 2023 Eligibility and Enrollment Report, dated April 14, 2023. (2 pages)
11. Memorandum to Administrator from EUTF Program Specialist regarding March – April 2023 EUTF Program Specialist Report, dated April 14, 2023. (4 pages)
12. Memorandum to BOT from EUTF Financial Management Officer regarding March – April 2023 Financial Services Branch (FSB) Report, dated April 14, 2023. (25 pages)
13. CVS Caremark Monthly Carrier Report for March 2023 dated April 5, 2023. (2 pages)
14. SilverScript Monthly Carrier Report for March 2023 dated April 1, 2023. (2 pages)
15. HDS Monthly Carrier Report for March 2023 dated April 6, 2023. (2 pages)
16. HMA Monthly Carrier Report for March 2023 dated April 6, 2023. (2 pages)
17. HMSA Monthly Carrier Report for March 2023 dated April 10, 2023. (3 pages)
18. Humana Monthly Carrier Report for March 2023 dated April 10, 2023. (3 pages)
19. Kaiser Permanente Monthly Carrier Report for March 2023 dated April 6, 2023. (2 pages)
20. Securian Financial Monthly Carrier Report for March 2023 dated April 6, 2023. (1 page)
21. VSP Monthly Carrier Report for March 2023 dated April 8, 2023. (2 pages)