

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
Tuesday, May 2, 2023

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson
Mr. James Wataru, Vice Chairperson

Mr. Wesley Machida

TRUSTEES ABSENT

Mr. Osa Tui
Ms. Maureen Wakuzawa

Mr. Robert Yu

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Ms. Desiree Yamauchi

Ms. Amy Cheung
Ms. Jessica McDonald
Ms. Lara Nitta (via video conference)

OTHERS PRESENT (via video conference)

Ms. Stacia Baek, HMSA
Ms. Sandra Benevides, CVS
Ms. Elaine Fujiwara, HDS

Ms. Joey Lee, HDS
Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 9:02 a.m. by Trustee Audrey Hidano, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, May 2, 2023.

II. REVIEW OF MINUTES – November 30, 2022

The Committee reviewed the draft minutes of November 30, 2022.

MOTION was made and seconded to approve the minutes of November 30, 2022 as circulated. (Wataru/Machida) The motion passed unanimously. (Employer Trustees-2/ Employee-Beneficiary Trustees-1)

III. NEW BUSINESS

A. Status Update on Strategic Plan July 1, 2021 – June 30, 2025

Mr. Derek Mizuno, Ms. Jessica McDonald and Ms. Amy Cheung provided a status update on the strategic plan for the period July 1, 2021 – December 31, 2022 noting the four strategic plan goals that focus on the following:

1. Active employee medical and prescription drug claims trends
2. Limiting growth in the actuarial accrued liability and annual required contributions
3. Investment portfolio returns and commensurate risk
4. Customer satisfaction

B. Collection Procedures

1. 2021 Retiree Tier Review

Mr. Mizuno summarized the internal audit project from 2021 to ensure that retirees were placed in the correct Tier/Agreement (e.g. 100% family or 50% self only employer contribution) noting that the retiree Agreements were corrected effective January 1, 2022, refunds were processed and underpayments were not collected. Also, in the new benefits administration system (BAS), EUTF staff (or retiree with staff review) will enter the hire date and years of service and the BAS will place the retiree in the correct tier which should minimize human error. Mr. Mizuno and the Committee discussed the following reasons not to collect underpayments:

1. The underpayments by the retiree were due to EUTF error.
2. The retiree may have changed their coverage if they were placed in a different Agreement (e.g. retiree could have selected the lower cost Humana Medicare Advantage plan, a lower cost non-EUTF plan or an employer plan).
3. Difficulty in collecting amounts from retirees.

MOTION was made and seconded to recommend to the Board not collecting underpayments by retirees identified by EUTF staff during a 2021 internal audit due to the following:

1. The underpayments by the retiree were due to EUTF error.
2. The retiree may have changed their coverage if they were placed in a different Agreement
3. Difficulty in collecting amounts from retirees.

(Wataru/Machida) The motion passed unanimously. (Employer Trustees-2/
Employee-Beneficiary Trustees-1)

IV. NEXT MEETING

August 2023 – supplemental budget request, legislative proposals and EUTF Administrative Rule changes.

An earlier meeting may be scheduled to discuss revisions to the previously Board approved Collection Procedures and Statement of Delegation of Authority.

V. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 10:16 a.m. (Wataru/Machida)
The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-1)

Respectfully submitted,

/s/

Audrey Hidano, Chairperson

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APPROVED on July 11, 2023.

DOCUMENTS DISTRIBUTED:

1. Draft Administrative Committee Minutes of November 30, 2022. (2 pages)
2. Memorandum to EUTF Administrative Committee from Administrator, regarding Status Update on Strategic Plan July 2, 2021 – June 30, 2025, dated April 27, 2023. (9 pages)
3. EUTF Collection Procedures, Approved at the 08/26/2014 Board Meeting. (2 pages)
4. Memorandum to EUTF Administrative Committee from Administrator, regarding 2021 Retiree Tier Review, dated April 27, 2023. (4 pages)