

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, June 27, 2023

TRUSTEES PRESENT

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

TRUSTEES ABSENT

None

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

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

CONSULTANTS (via video conference)

Mr. Jeff Allen, Epic Brokers	Mr. Stephen Murphy, Segal Consulting
Ms. Diane Clausen, PSG	Ms. Gwen Van Koningsveld, PSG
Mr. Dwight Davis, PSG	Ms. Beth Zander, PSG

OTHERS PRESENT (via video or audio conference, unless otherwise noted)

Ms. Sandra Benevides, CVS	Ms. Mae Kishimoto, HSTA-Retired
Ms. Tammi Bongoll, Kaiser	Ms. Joey Lee, HDS
Mr. Ty Bowers, CVS	Mr. Chris Letoto, HMSA
Mr. Su Chai, Kaiser	Ms. Charina Masatsugu, Kaiser
Ms. Erin Dey, Humana	Ms. Denise Mercil, Securian
Mr. Joe Ebisa, With.Intelligence	Dr. Christopher Miura, Kaiser
Mr. Thomas England, Kaiser	Ms. Julia Morse, Kaiser
Ms. Samantha Furutani, CVS	Mr. Kurt Neuenfeld, CVS
Ms. Reyna Galinato, HMSA	Mr. Dave Shiroma, Kaiser
Dr. Rupal Gohil, HMSA	Dr. Rodd Takiguchi, Kaiser
Mr. Brent Griffiths, Telus Health	Mr. Guy Tingey, CVS
Mr. Galen Haneda, HMSA	Mr. Troy Tomita, Kaiser
Ms. Vanelle Hirayasu, HMA	Mr. Scott Yamaguchi, Kaiser
Ms. Monica Kim, VSP	Mr. Ryan Yamane, DHRD (in person)

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, June 27, 2023.

Chairperson Becker welcomed new Trustee Sabrina Nasir.

II. REVIEW OF MINUTES – MAY 23, 2023

The Board reviewed the draft minutes of May 23, 2023.

MOTION was made and seconded to approve the minutes of May 23, 2023, as circulated. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-5)

III. OLD BUSINESS

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

- Premium adjustment logic updates; BU11, 12 & 15 coverage issues; and initial student certification for 19 year-old children have been completed.
- Payroll issues related to pre go-live changes in coverages between 1/16/22-4/30/22 are being manually reviewed by EUTF staff. With the premium adjustment logic being completed, EUTF staff should have more time to work on these.
- Death imports and SSI Medicare Part D enrollment projected completion has been pushed back to July 31, 2023 as EUTF works on the file layout and specifications with SilverScript, the Department of Health, and Telus Health. Trustees Robert Yu and Audrey Hidano noted that the completion dates keep getting pushed back and instructed staff and Telus Health to provide dates that will be met. EUTF staff and Telus Health will review projected completion dates.
- Collection of double refunds to BU11 members related to retroactive adjustments will be completed this week.

Outstanding enrollment forms are significantly less (656) than the previous comparable year (June 2021 – 1,945) as staff completed open enrollment processing in early June, earlier than previous years. EUTF staff processed 3,930 open enrollment forms compared to 4,111 last year. Mr. Derek Mizuno noted that Ms. Tonaki and Ms. Jessica McDonald developed a well-thought out plan that incorporated lessons learned from the previous year. In addition, available EUTF staff throughout the organization assisted in open enrollment processing.

B. Claims Audit Report Update – 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. Beth Zander and Ms. Gwen Van Koningsveld, PSG, provided a follow up to their audit results that were presented at the February 14, 2023 board meeting. CVS has paid EUTF the amounts noted in the report except for \$16,482 related to rebates that is forthcoming. Mr. Mizuno noted that the next audit period is July 1, 2021 – June 30, 2022 actives and January 1, 2021 – December 31, 2022 retirees.

C. 2023 EUTF Related Legislation

Mr. Mizuno reported that the three EUTF bills were signed by the Governor and enacted into law.

IV. NEW BUSINESS

A. Prescription Drug Plan Retiree Rates Effective January 1, 2024 – Caremark and SilverScript

Mr. Jeff Allen, Epic Brokers, presented the recommended prescription drug premiums for the self-funded retiree plans effective January 1, 2024.

MOTION was made and seconded to approve the proposed prescription drug plan retiree premiums effective January 1, 2024. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

B. Committee Assignments

Mr. Mizuno noted that Trustee Nasir will join the Benefits and Investment Committees. Chairperson Becker asked about whether a balanced amount of employee-beneficiary and employer trustees are needed for each committee. Trustee Wesley Machida asked to consider having the chair of the committees rotate. Mr. Mizuno noted that these changes to the EUTF Administrative Rules will be presented to the Administrative Committee in August.

V. REPORTS

A. Segal

1. 2023 Second Quarter Trends
2. ACA Dollar Amounts and Percentages

Mr. Stephen Murphy, Segal, summarized the Segal reports.

B. Administrator

1. Meetings with Legislators and Unions
2. Staffing Update
3. Training

Mr. Mizuno noted that there were three new hires since the last report. In addition, we may have another person starting in mid-July. Mr. Mizuno also noted the improvement in the call answer rates in May for the Member Services and Financial Services Branches to 89% and 91%, respectively.

C. EUTF Managers' and Program Specialist' Reports

1. Member Services Branch (MSB)
 - 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

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- 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 March 31 and April 30, 2023

D. Carrier Reports

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

Trustee Audrey Hidano asked HMSA what the Partial Overturned Tattooing appeal related to. HMSA will follow up.
6. Humana
7. Kaiser Health Foundation
8. Securian
9. Vision Service Plan (VSP)

VI. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:47 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 11:02 a.m.

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

- Retiree premiums for HMSA, Humana, HDS, VSP and Securian effective January 1, 2024.
- Commitment of funds to a real assets fund, subject to contract negotiation.
- Commitment of funds to a private credit fund, subject to contract negotiation.
- An award under RFP 23-001 Banking Services.
- May 23, 2023 Executive Session minutes.

VII. NEXT MEETING

Tuesday, July 25, 2023, 9:00 a.m.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:04 a.m. (Ferguson-Miyamoto/Wakuzawa) The motion passed unanimously. (Employer Trustees-5/ Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

Osa Tui, Secretary-Treasurer

APPROVED on July 25, 2023.

Documents Distributed:

1. Draft Board Minutes of May 23, 2023. (11 pages)
2. Hawaii EUTF – Ariel BAS Update, prepared by Telus Health, dated June 27, 2023. (5 pages)
3. Memorandum to BOT from Program Specialist, regarding Claims Audit Report Update – PSG Prescription Claims Audit of CVS/SilverScript for Active Employees July 1, 2018 – June 30, 2021 and Retirees January 1, 2018 – December 31, 2020, dated June 20, 2023. (10 pages)
4. Memorandum from EPIC Insurance Brokers & Consultants, regarding 2024 Retiree Prescription Drug Rates, dated June 2023. (5 pages)
5. EUTF Committees, dated June 21, 2023. (1 page)
6. Memorandum to BOT from Segal Consulting, regarding Segal’s 2023 Second Quarter Trends Report, dated June 27, 2023. (4 pages)
7. Memorandum to BOT from Segal Consulting, regarding ACA Dollar Amounts and Percentages, dated June 27, 2023. (4 pages)
8. Administrator’s Monthly Report to the Board for May 13 – June 16, 2023, dated June 16, 2023. (1 page)
9. Memorandum to BOT from Member Services Branch Manager, regarding May – June 2023 Member Services Operations Report, dated June 16, 2023. (5 pages)
10. Memorandum to BOT from Information Systems Chief, regarding May 2023 – June 2023 Information Systems (IS) Operations Report, dated June 16, 2023. (9 pages)
11. Memorandum to Administrator from Member Services Branch Manager regarding May – June 2023 Eligibility and Enrollment Report, dated June 16, 2023. (2 pages)
12. Memorandum to Administrator from EUTF Program Specialist regarding May – June 2023 EUTF Program Specialist Report, dated June 16, 2023. (8 pages)
13. Memorandum to BOT from EUTF Financial Management Officer regarding May –June 2023 Financial Services Branch (FSB) Report, dated June 16, 2023. (25 pages)
14. CVS Caremark Monthly Carrier Report for May 2023 dated June 7, 2023. (2 pages)
15. SilverScript Monthly Carrier Report for May 2023 dated May 1, 2023. (2 pages)
16. HDS Monthly Carrier Report for May 2023 dated June 9, 2023. (2 pages)
17. HMA Monthly Carrier Report for May 2023 dated June 7, 2023. (2 pages)
18. HMSA Monthly Carrier Report for May 2023 dated June 10, 2023. (3 pages)
19. Humana Monthly Carrier Report for May 2023 dated June 10, 2023. (3 pages)
20. Kaiser Permanente Monthly Carrier Report for May 2023 dated June 9, 2023. (2 pages)
21. Securian Financial Monthly Carrier Report for May 2023 dated June 9, 2023. (1 page)
22. VSP Monthly Carrier Report for May 2023 dated June 8, 2023. (2 pages)