

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
Tuesday, May 16, 2023

TRUSTEES PRESENT

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

TRUSTEES ABSENT

None

ATTORNEY

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 (via video conference, unless otherwise noted)

Mr. Dwight Davis, PSG	Mr. Stephen Murphy, Segal (in person)
Mr. Brian Maas, PSG	Ms. Baelee Zeiher, Segal

OTHERS PRESENT (via video conference or teleconference)

Ms. Sandra Benevides, CVS	Mr. Kenneth Lee, Kaiser
Mr. Ty Bowers, CVS	Mr. Chris Letoto, HMSA
Dr. Heera Chang, HDS	Mr. Charina Masatsugu, Kaiser
Ms. Erin Dey, Humana	Ms. Denise Mercil, Securian
Mr. Thomas England, Kaiser	Dr. Christopher Miura, Kaiser
Mr. Keli'i Franco, HMSA	Mr. Kurt Neuenfeld, CVS
Ms. Elaine Fujiwara, HDS	Mr. Clesson Pang, HDS
Ms. Eryn Fujita, HMSA	Ms. Cathy Rapozo, VSP
Ms. Samantha Furutani, CVS	Mr. Dave Shiroma, Kaiser
Ms. Reyna Galinato, HMSA	Dr. Rodd Takiguchi, Kaiser
Dr. Rupal Gohil, HMSA	Mr. Guy Tingey, CVS
Mr. Galen Haneda, HMSA	Dr. Jeff Tom, HMSA
Ms. Vanelle Hirayasu, HMA	Mr. Troy Tomita, Kaiser
Dr. Karen Hu, HDS	Mr. Scott Yamaguchi, Kaiser
Ms. Monica Kim, VSP	Mr. Isaac Yuen, HMSA
Ms. Joey Lee, HDS	

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 Osa Tui, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, May 16, 2023.

II. REVIEW OF MINUTES – April 18, 2023

The Benefits Committee reviewed the draft minutes of April 18, 2023.

MOTION was made and seconded to approve the minutes of April 18, 2023, as circulated.

(Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/
Employee-Beneficiary Trustees-5)

III. NEW BUSINESS

A. Utilization Reports for the period ending December 31, 2022

1. Kaiser Permanente Semi-Annual Utilization Report

Mr. Troy Tomita and Mr. Thomas England, Kaiser Permanente, presented their semi-annual claims report through December 31, 2022 for the active employee and non-Medicare retiree plans noting that the EUTF non-Medicare retiree per member per month (PMPM) claims trend (-13.7%) was significantly lower than the Kaiser commercial book of business (BOB). The primary driver of the EUTF lower trend are less high cost claims (over \$100,000) in 2022. Excluding the impact of the high cost claims, the EUTF non-Medicare retirees trend would have been -1.7%. The active employee PMPM claims trend for the six months ended (0.3%) is comparable to the Kaiser commercial BOB.

2. HMSA Semi-Annual Utilization Report

Mr. Chris Letoto, HMSA, presented their semi-annual claims report through December 31, 2022 for the active employee, non-Medicare retiree and Medicare retiree plans noting that the EUTF non-Medicare PMPM claims trend (14.7%) was significantly higher than the HMSA commercial BOB and the EUTF Medicare PMPM claims trend (6.8%) was lower than the HMSA Medicare Advantage (MA) plans. The high trend for the non-Medicare retirees was due to four members with high cost claims (over \$500,000). Excluding the impact of the high cost claims, the EUTF non-Medicare retirees trend would have been 3.7%. Over the past 4 years, the EUTF non-Medicare and Medicare retirees annualized growth rates of 2.0% and 2.6%, respectively, were lower than the HMSA BOB and MA plans. The active employee PMPM claims trend for the six-months ended (5.9%) was slightly higher than the HMSA commercial BOB. Over the past 4 years, the EUTF active annualized growth rate of 2.7% is lower than the HMSA commercial BOB.

3. Segal SHAPE Report

Mr. Steve Murphy, Segal Consulting, presented for the first time their report on the retiree medical and prescription drug plans for the calendar year 2022 as they have received claims data for two full calendar years. Segal noted the following:

- HMSA and Kaiser top chronic conditions are hypertension, diabetes and coronary artery disease.
- The impact of the high cost inpatient claims that HMSA and Kaiser noted in their presentation.
- An increase in emergency room utilization.
- Higher use of generics by Kaiser members due to Kaiser's tightly managed formulary versus the CVS open formulary.
- NCQA clinical quality performance measures.

Trustee James Wataru asked about utilization of the emergency room that could be shifted to urgent care or other less costly venues. EUTF staff will work with HMSA and Kaiser on presenting "low intensity" emergency room utilization in the future.

Trustee Christian Fern also asked if Segal had any recommendations to improve utilization of preventive care services. EUTF staff currently works with the carriers to send annual mailers but will work with Segal if they have any other recommendations.

4. HDS Retiree Annual Utilization Report

Ms. Elaine Fujiwara, HDS presented their first utilization report for the EUTF and HSTA VB retirees for the period ending December 31, 2022 noting the following:

- Retiree enrollment increased by approximately 2% which is consistent with previous years.
- The PMPM claims trend (1.3%) was higher than the HDS BOB due to higher utilization of diagnostic and preventive services (43% of claims) and plan design.
- Retirees had higher rates of oral exams and cleanings and lower rates of no visits than the HDS BOB and national peers. Members with no visits incur higher costs than those with prior visits.
- 3.4% of retirees hit their \$2,000 plan maximum limit in 2022 (vs. 3.3% in 2021).
- 98.3% of retirees visited an in-network dentist resulting in \$19.0 million in savings.

5. VSP Retiree Annual Utilization Report

Ms. Monica Kim, VSP presented their first utilization report for the EUTF and HSTA VB retirees for the period ending December 31, 2022 noting the following:

- Retiree enrollment increased by approximately 2% which is consistent with previous years.
- The PMPM claims trend from 2021 to 2022 was -0.7%.
- 27% of retirees had an annual eye exam which exceeds the VSP local and national BOB rates.
- Over 90% of retirees visited an in-network provider for services resulting in \$4.5 million in savings.

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

Mr. Murphy presented their annual review of the retiree medical, dental and vision plans including a strength, weakness, opportunities and threats analysis. EUTF staff will work with Segal on addressing these issues with the carriers.

C. Kaiser Permanente Medical Plan Changes

Mr. Troy Tomita presented a proposal to increase the benefit maximum to \$6,898 from \$5,500 per treatment phase of orthodontic treatment of orofacial anomalies from birth. Kaiser is increasing the benefit maximum for all Kaiser Hawaii plans in accordance with Hawaii law. Although the EUTF is not subject to this coverage mandate, the EUTF Board included this coverage back in 2015. The Committee noted utilization and premium impact.

MOTION was made and seconded to recommend to the Board an increase in the benefit maximum to \$6,898 from \$5,500 per treatment phase of orthodontic services to treat orofacial anomalies from birth under the EUTF and HSTA VB Kaiser Permanente active employee and non-Medicare retiree medical and prescription drug plans effective July 1,

2024 and January 1, 2024, respectively. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Chairperson Tui asked Kaiser if they could investigate increasing the annual maximum to \$6,900 to match HMSA.

D. HMSA Medical Plan Changes

Mr. Chris Letoto presented a proposal to cover Human Papillomavirus (HPV) screenings with cost sharing in accordance with U.S. Preventive Services Task Force Grade A & B recommendations for the EUTF and HSTA VB retiree medical plans effective January 1, 2024. Addition of this coverage for non-Medicare eligible members will close the coverage gap between the active HMSA plans and Medicare. The Committee noted utilization and premium impact.

MOTION was made and seconded to recommend to the Board coverage of Human Papillomavirus (HPV) screenings in accordance with U.S. Preventive Services Task Force Grade A & B recommendations to the EUTF and HSTA VB HMSA retiree medical plans effective January 1, 2024. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Mr. Letoto presented a proposal to increase the benefit maximum to \$6,900 from \$5,500 per treatment phase of orthodontic treatment of orofacial anomalies from birth. HMSA is increasing the benefit maximum to a rounded amount for all their plans in accordance with Hawaii law. Although the EUTF is not subject to this coverage mandate, the EUTF Board included this coverage back in 2015. The Committee noted utilization and premium impact.

MOTION was made and seconded to recommend to the Board an increase in the benefit maximum to \$6,900 from \$5,500 per treatment phase of orthodontic services to treat orofacial anomalies from birth under the EUTF and HSTA VB HMSA active employee and retiree medical plans effective July 1, 2024 and January 1, 2024, respectively. (Wataru/Fern)

An amendment to the previous MOTION was made and seconded to recommend to the Board an increase in the benefit maximum to \$6,898 from \$5,500 per treatment phase of orthodontic services to treat orofacial anomalies from birth under the EUTF and HSTA VB HMSA active employee and retiree medical plans effective July 1, 2024 and January 1, 2024, respectively. (Machida/Yu) Trustee Christian informed the Committee of his concern of deviating from the HMSA book of business annual maximum which will increase administrative work and cause unnecessary confusion for the providers. He strongly recommended following the HMSA book of business annual maximum. The amendment failed. (Employer Trustees-4 YES Becker, Hidano, Machida, Yu/ Employee-Beneficiary Trustees-5 NO Ferguson-Miyamoto, Fern, Tui, Wakuzawa, Wataru)

The original MOTION was voted on. The motion failed. (Employer Trustees-4 NO Becker, Hidano, Machida, Yu/Employee-Beneficiary Trustees-5 YES Ferguson-Miyamoto, Fern, Tui, Wakuzawa, Wataru)

Mr. Letoto noted that the HMSA 80/20 PPO for active employees is the only EUTF HMSA plan that covers out-of-network transplants. HMSA is proposing to align coverage with the other EUTF HMSA plans and exclude coverage of out-of-network transplants and limit coverage of transplants to participating facilities in Hawaii and approved Blue Distinction Centers for Transplants.

MOTION was made and seconded to recommend to the Board not covering out-of-network transplant evaluation and other organ tissue transplants under the EUTF HMSA 80/20 PPO active employee medical plan effective July 1, 2024. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

E. HMSA Digital Diabetes Program

Dr. Jeff Tom, HMSA, presented the results of the Virta diabetes management program pilot project with other HMSA groups and their recommendation to add this to the active employee and retiree plans effective January 1, 2024. HMSA discussed the following:

- Reductions in A1c, body weight and prescription drug costs for members in the group that extend past end of the program period of 24-months.
- The proposed fees that will be included in claims.
- Performance guarantees where penalties will be the reimbursement of fees.
- An implementation plan and a transition plan for EUTF members currently utilizing the Livongo diabetes management plan that will end on December 31, 2023.
- This is an HMSA pilot that would include the EUTF and fall under the current Disease Management Program benefit.

Trustee Fern raised the issue of whether this program has to be presented to the Committee and Board for approval since it is part of the covered benefit for treatment of diabetes. Mr. Derek Mizuno agreed that the Committee and Board could take this position. Mr. Mizuno and Ms. Lara Nitta noted that since it is a new way to provide the diabetes management program (digitally) and it's being implemented early for EUTF, EUTF staff brought it to the Committee and Board for approval. However, it is the Committee and Board's prerogative whether this program needs to be approved or not.

The Committee also discussed whether HMSA should provide an update on the results of the Livongo program. Mr. Mizuno noted that he informed HMSA that it was unnecessary since HMSA was moving from Livongo to the Virta program.

MOTION was made and seconded to recommend to the Board coverage of the Virta diabetes management program, as a pilot program, under the EUTF and HSTA VB HMSA active employee and retiree medical plans effective January 1, 2024 through the end of the contract. (Fern/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

F. Humana Medical Plan Change

Ms. Erin Dey, Humana, presented the addition of post-discharge in-home personal care services that will provide up to 8 hours of in-home care per discharge without member cost share including premium impact and cost information.

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MOTION was made and seconded to recommend to the Board coverage of Post-Discharge In-Home Personal Care Services, as a pilot program, under the EUTF Humana retiree medical plan effective January 1, 2024 through the end of the contract. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

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

Mr. Mizuno informed the Board that PSG failed to provide this report so performance guarantee penalties will be assessed.

IV. NEXT MEETING DATE – August 15, 2023

The next meeting agenda will include proposed medical plan changes and HMSA updates on Payment Transformation, evidence-based programs, and member engagement in the Model of Care for Condition Care and Complex Care Management programs

V. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 11:08 a.m.

(Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

Osa Tui, Chairperson

APPROVED on August 15, 2023.

Documents Distributed:

1. Draft Benefits Committee Minutes of April 18, 2023. (4 pages)
2. EUTF, Cost and Utilization Summary, Non-Medicare Retirees and Actives, prepared by Kaiser Permanente, dated May 16, 2023, Redacted Version. (22 pages)
3. EUTF Semi-Annual Cost and Utilization Summary, prepared by HMSA, dated May 16, 2023, Redacted Version. (42 pages)
4. EUTF, Semi-Annual Utilization Report, Retiree Plans, Current Period: January 1, 2022 – December 31, 2022, Prior Period: January 1, 2021 – December 31, 2021, prepared by Segal Consulting, dated May 16, 2023. (14 pages)
5. EUTF & HSTA VB Retiree Utilization, Plan year ending 12/31/2022, prepared by HDS, dated May 16, 2023, Redacted Version. (12 pages)
6. EUTF & HSTA VB Retiree Utilization, Plan Year Ending 12/31/2022, prepared by VSP, dated May 16, 2023, Redacted Version. (20 pages)
7. EUTF, 2023 Annual Analysis Report, Retirees, prepared by Segal Consulting, dated May 16, 2023, Redacted Version. (33 pages)
8. Memorandum to BOT from Kaiser Permanente, regarding 2024 Non-Medicare Retiree and Active Benefit Change, dated May 16, 2023. Redacted Version. (1 page)
9. HMSA Plan Change Overview and Authorization, 2024 EUTF Retirees and Actives, prepared by HMSA, Redacted Version. (4 pages)

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10. Virta Implementation, prepared by HMSA, dated May 16, 2023, Redacted Version. (19 pages)
11. Memorandum to EUTF Benefits Committee from Humana, regarding 2024 Humana Medicare Advantage Plan Benefit changes, dated April 10, 2023, Redacted Version. (2 pages)