

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, August 29, 2023

TRUSTEES PRESENT

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

TRUSTEES ABSENT

Ms. Sabrina Nasir

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Ms. Emily Kaimulua (via video conference)
Ms. Donna Tonaki, Assistant Administrator	Ms. Jessica McDonald
Ms. Desiree Yamauchi	Mr. Todd Nishida (via video conference)
Ms. Amy Cheung (via video conference)	Ms. Lara Nitta (via video conference)
Ms. Lauren Endo (via video conference)	

CONSULTANTS (via video conference)

Mr. Stephen Murphy, Segal Consulting	Ms. Baelee Zeiher, Segal Consulting
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OTHERS PRESENT (via video or audio conference)

Ms. Stacia Baek, HDS	Ms. Mae Kishimoto, HSTA-Retired
Ms. Sandra Benevides, CVS	Ms. Alyson Kusatsu, HMSA
Ms. Carolyn Bernal, HMA	Ms. Joey Lee, HDS
Ms. Melaca Cannella, CVS	Mr. Chris Letoto, HMSA
Mr. Su Chai, Kaiser	Mr. Larry Loew, Humana
Ms. Erin Dey, Humana	Ms. Charina Masatsugu, Kaiser
Mr. Jeff Dragsten, CVS	Ms. Denise Mercil, Securian
Mr. Joe Ebisa,, WithIntelligence	Dr. Christopher Miura, Kaiser
Mr. Thomas England, Kaiser	Mr. Kurt Neuenfeld, CVS
Ms. Elaine Fujiwara, HDS	Mr. Nathan Reeves, CVS
Ms. Samantha Furutani, CVS	Mr. Dave Shiroma, Kaiser
Ms. Reyna Galinato, HMSA	Dr. Toby Smith, HMSA
Dr. Rupal Gohil, HMSA	Mr. Guy Tingey, CVS
Mr. Brent Griffiths, Telus Health	Mr. Troy Tomita, Kaiser
Ms. Vanelle Hirayasu, HMA	Mr. Justin Yoshimoto, HMSA
Ms. Monica Kim, VSP	Anonymous

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 Jacqueline Ferguson-Miyamoto, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, August 29, 2023.

Chairperson Ferguson-Miyamoto announced that Roderick Becker resigned from the Board.

II. REVIEW OF MINUTES – JULY 25, 2023

The Board reviewed the draft minutes of July 25, 2023.

MOTION was made and seconded to approve the minutes of July 25, 2023, as circulated. (Wataru/Yu) The motion passed unanimously. (Employer Trustees-3/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:

- EUTF and Telus Health continue to manually review and adjust errors on the semi-monthly payroll files. Telus Health is focusing on resolving issues that are causing the errors to eliminate the manual intervention.
- Collection of double refunds from BU11 members related to retroactive adjustments will be collected in pay periods ending August 31, September 15 and September 30, 2023. County of Maui employees were not double refunded so no collections are necessary for this group. The highest collection amount is about \$76 since the refunds related to only three pay periods. Approximately 427 employees must be manually refunded.
- Payroll issues related to pre go-live changes in coverages between January 16 – April 30, 2022 will be manually reviewed by EUTF staff after the manual payroll interventions described above are reduced as these issues are not recurring.
- Payroll and other accounting reports are being worked on.
- Death imports and SSI Medicare Part D enrollment continue to be worked on with SilverScript, the Department of Health, and Telus Health.
- The BAS software was upgraded to the most current version on Thursday, August 17, 2023. At this point no major issues have been identified.

Outstanding enrollment forms are comparable (561) to the previous comparable year (August 2021 – 675).

Trustee Wesley Machida asked if EUTF staff can provide a breakdown between enrollments processed by EUTF staff versus online.

IV. NEW BUSINESS

A. Maui Update

Mr. Derek Mizuno summarized the steps that EUTF staff have taken to assist members who were impacted by the Maui wildfires namely:

- Not cancelling 20 County of Maui employees and State employees residing on Maui for non-payment in August. These members are either employees on leave without pay or retirees paying a portion of their premiums. County of Maui employees and State employees residing on Maui who are working are continuing to have their share of EUTF healthcare premium deducted from their paychecks.
- Waiving submission deadlines for qualifying events for August.

EUTF recommended approval of the August changes and to continue the changes in September. Continuing the changes in October can be reviewed at the September 26, 2023 board meeting.

MOTION was made and seconded to waive EUTF Administrative Rules section 4.11(b) Cancellation Due to Failure to Pay Contribution Shortage and section 4.05(b) Failure to File Properly Completed Enrollment Application Within the Prescribed Time for the months of August and September 2023 for members with Maui addresses. (Tui/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

V. COMMITTEE REPORTS

A. Benefits Committee

1. Kaiser Permanente Medical Plan Changes

Mr. Mizuno noted that Kaiser is improving coverage of hearing aids for their book of business from 40% coverage of a hearing aid for each hearing impaired ear every 36-months to 80% coverage upon each customer's renewal year. Troy Tomita, Kaiser, noted that 95% of Kaiser customers will be automatically moved while the remaining 5% which are primarily union plans have the option to adopt. He believes that most of them will make the change. Two options were discussed at the Benefits Committee meeting:

- Option 1: Increase coverage of hearing aids to 80% for each hearing-impaired ear every 36 months under the EUTF and HSTA VB Kaiser active employee and retiree medical/prescription drug plans effective July 1, 2024 and January 1, 2025, respectively.
- Option 2: Add hearing aid coverage at 40% to the EUTF and HSTA VB Kaiser retiree medical/prescription drug plans effective January 1, 2024 or 2025.

The Committee also noted that EUTF staff estimated that the increase in the retiree premiums under Options 1 and 2 would increase the unfunded liability by approximately \$10 million and \$5 million, respectively. Kaiser and Segal both recommended Option 1. Trustee James Wataru noted his preference for Option 1 as studies have shown that hearing loss contributes to dementia and cognitive decline. Trustee Audrey Hidano voiced concerns with the pending lawsuit.

MOTION was made and seconded to move into Executive Session at 9:28 a.m. (Wataru/Tui) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 10:02 a.m.

MOTION was made and seconded to adopt hearing aid coverage at 80% per hearing impaired ear every 36-months under the EUTF and HSTA VB Kaiser Permanente active employee and retiree medical/prescription drug plans effective July 1, 2024 and January 1, 2024, respectively, and move \$10 million from the EUTF Trust Fund to the OPEB Trust. (Wataru/Tui) The motion failed. (Employer Trustees-1 YES Hidano, 2 NO Machida, Yu/Employee-Beneficiary Trustees-5 YES Ferguson-Miyamoto, Fern, Tui, Wakuzawa, Wataru)

MOTION was made and seconded to approve the Benefits Committee's recommendation to adopt hearing aid coverage at 40% per hearing impaired ear every 36-months for the EUTF and HSTA VB Kaiser Permanente retiree medical/prescription drug plans effective January 1, 2024 and move \$5 million from the EUTF Trust Fund to the OPEB Trust. (Yu/Machida) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Mr. Mizuno noted that since the Kaiser premiums are set for January 1, 2024, no adjustment will be made to the amounts charged to the employers and retirees and Kaiser will be paid out of the EUTF Trust Fund.

2. HMSA Payment Transformation

Mr. Mizuno summarized HMSA's update on payment transformation.

3. HMSA Update on Member Engagement in Model of Care for Condition Care and Complex Case Management Programs

Mr. Mizuno summarized HMSA's update on member engagement in Model of Care for Condition Care and Complex Case Management Programs.

4. HMSA Evidence-Based Programs

a. AccordantCare Rare

Mr. Mizuno summarized HMSA's AccordantCare Rare update for the first year of the program for the actives calendar year 2022 noting a positive return on investment.

MOTION was made and seconded to approve the Benefits Committee's recommendation to adopt the AccordantCare Rare program for the EUTF and HSTA VB retiree HMSA medical plans effective January 1, 2024. (Fern/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

b. Supportive Care

Mr. Mizuno summarized HMSA's supportive care update noting that 2022 was the fourth out of five years in which the program has resulted in cost avoidance.

MOTION was made and seconded to approve the Benefits Committee's recommendation to adopt a palliative care program for the EUTF and HSTA VB retiree HMSA medical plans effective January 1, 2024. (Tui/Hidano) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Mr. Mizuno noted that since the supportive care program is no longer a pilot program for the retirees, we will no longer have HMSA provide updates on this program. However, since the AccordantCare Rare program has just started, HMSA will provide an update in 2024.

5. Upcoming Plan Changes

Mr. Mizuno noted that the Benefits Committee discussed upcoming plan changes and plan changes that have been discussed in the past.

B. Administrative Committee

1. 2024 Legislative Proposals

Mr. Mizuno reported that there are no legislative proposals for the 2024 legislative session.

2. Proposal EUTF Administrative Rule Changes

Mr. Mizuno summarized the Administrative Committee report recommending changes to the EUTF Administrative Rules.

MOTION was made and seconded to approve the Administrative Committee's recommendation of the EUTF staff proposed EUTF Administrative Rules changes which excludes the change to 1.06 Committees of the Board. (Yu/Machida) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

MOTION was made and seconded to approve the Administrative Committee's recommendation of the trustee proposed EUTF Administrative Rules change to section 1.06 Committees of the Board. (Yu/Hidano) The motion failed. (Employer Trustees-3 YES Hidano, Machida, Yu/Employee-Beneficiary Trustees-1 YES Wakuzawa, 4 NO Ferguson-Miyamoto, Fern, Tui, Wataru)

3. Supplemental Budget Request – July 1, 2024 – June 30, 2025

Mr. Mizuno summarized the Administrative Committee's recommendation to approve the supplemental budget request for July 1, 2024 to June 30, 2025 to add an Investment Officer position and \$300,000 in annual maintenance costs for the new benefits administration system.

MOTION was made and seconded to approve the Administrative Committee's recommendation of the supplemental budget request for July 1, 2024 to June 30, 2025. (Yu/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

4. Statement of Delegation of Authority

Mr. Mizuno summarized the Administrative Committee report recommending changes to the Statement of Delegation of Authority.

MOTION was made and seconded to approve the Administrative Committee's recommendation of the revised Statement of Delegation of Authority. (Hidano/Machida) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

5. Collection Procedures

Mr. Mizuno summarized the Administrative Committee report recommending changes to the Collection Policy and Procedures document.

MOTION was made and seconded to approve the Administrative Committee's recommendation of the revised Collection Policy and Procedures. (Hidano/Yu) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

VI. REPORTS

A. Segal

1. Quarterly Plan Performance Report – June 30, 2023
2. Quarterly Performance Guarantee Report – June 30, 2023
3. June 30, 2023 IBNR Calculation – Prescription Drug Plan and Supplemental Medical and Prescription Drug Plan
4. Five-Year Rate projection with Approved 2024 Retiree Prescription Drug Rates
5. Legislative Compliance
6. 2023 Q3 Trends Report

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

B. Administrator

1. Meetings with Legislators and Unions
2. Staffing Update
3. Training
4. Active Employee Enrollment Trends

Mr. Mizuno noted the retirement effective August 31, 2023 of Linda Green, Program Specialist V, who built the EUTF's wellness and disease management program. In addition, David Okamoto, currently an ERS Investment Officer, will replace Kuan Yuan, Chief Investment Officer. Mr. Yuan's last day is September 15 and Mr. Okamoto will start September 18. Lastly, the Accountant III position will be filled September 19.

C. EUTF Managers' and Program Specialist' Reports

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. Outreach & Training
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 June 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)
 6. Humana
 7. Kaiser Health Foundation
 8. Securian
 9. Vision Service Plan (VSP)

VII. EXECUTIVE SESSION

The Board Meeting recessed and moved into Executive Session at 10:36 a.m.

The regular meeting reconvened at 11:18 a.m.

Chairperson Ferguson-Miyamoto reported that during Executive Session, the Board approved an amendment to the Administrator's MOU and the MOU for the Chief Investment Officer. Chairperson Ferguson-Miyamoto also reported that the July 25, 2023 Executive Session minutes were reviewed and discussed.

MOTION was made and seconded to approve the Executive Session minutes of July 25, 2023, as circulated. (Wataru/Yu) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

VIII. NEXT MEETING

Tuesday, September 26, 2023, 9:00 a.m. – Investment Committee Report

IX. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 11:19 a.m. (Wataru/Yu) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Respectfully submitted,

/s/

Wesley Machida, Secretary-Treasurer

APPROVED on September 26, 2023.

Documents Distributed:

1. Draft Board Minutes of July 25, 2023. (5 pages)
2. Hawaii EUTF – Ariel BAS Update, prepared by Telus Health, dated August 29, 2023. (5 pages)
3. Memorandum to BOT from Assistant Administrator, regarding Maui Update – Possible Waiver of EUTF Administrative Rule Related to Non-Payment of Premiums and Failure to File Supporting Documents Timely, dated August 24, 2023. (1 page)

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Board of Trustees Meeting

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4. Memorandum to BOT from Benefits Committee, regarding August 15, 2023 Benefits Committee Meeting, dated August 16, 2023, Redacted Version. (2 pages)
5. Memorandum to BOT from Administrative Committee, regarding August 17, 2023 Administrative Committee Meeting, dated August 17, 2023. (7 pages)
6. EUTF, Year to Date Contract Plan Experience Report, Contract Year to Date through June 2023, prepared by Segal Consulting, dated August 29, 2023. (41 pages)
7. Memorandum to BOT from Segal Consulting, regarding June 30, 2023, Prescription Drug IBNR Calculations, dated August 18, 2023. (2 pages)
8. Memorandum to BOT from Segal Consulting, regarding June 30, 2023, Supplemental Medical IBNR Calculations, dated August 18, 2023. (2 pages)
9. Memorandum to BOT from Segal Consulting, regarding Segal's Compliance News Update, dated August 29, 2023. (6 pages)
10. Memorandum to BOT from Segal Consulting, regarding Segal's 2023 Third Quarter Trends Report, dated August 29, 2023. (2 pages)
11. Administrator's Monthly Report to the Board for July 15 – August 17, 2023, dated August 17, 2023. (3 pages)
12. Memorandum to BOT from Member Services Branch Manager, regarding July – August 2023 Member Services Operations Report, dated August 17, 2023. (5 pages)
13. Memorandum to BOT from Information Systems Chief, regarding July 2023 – August 2023 Information Systems (IS) Operations Report, dated August 17, 2023. (9 pages)
14. Memorandum to Administrator from Eligibility Specialist regarding July – August 2023 Eligibility and Enrollment Report, dated August 17, 2023. (2 pages)
15. Memorandum to Administrator from EUTF Program Specialist regarding July – August EUTF Program Specialist Report, dated August 17, 2023. (6 pages)
16. Memorandum to BOT from EUTF Financial Management Officer regarding July – August 2023 Financial Services Branch (FSB) Report, dated August 17, 2023. (2 pages)
17. CVS Caremark Monthly Carrier Report for July 2023 dated August 7, 2023. (3 pages)
18. SilverScript Monthly Carrier Report for July 2023 dated August 1, 2023. (2 pages)
19. HDS Monthly Carrier Report for July 2023 dated August 10, 2023. (3 pages)
20. HMA Monthly Carrier Report for July 1, 2023 through July 31, 2023, dated August 8, 2023. (2 pages)
21. HMSA Monthly Carrier Report for July 2023 dated August 10, 2023. (3 pages)
22. Humana Monthly Carrier Report for July 2023 dated August 9, 2023. (3 pages)
23. Kaiser Permanente Monthly Carrier Report for July 2023 dated August 10, 2023. (2 pages)
24. Securian Financial Monthly Carrier Report for July 2023 dated August 9, 2023. (1 page)
25. VSP Monthly Carrier Report for July 2023 dated August 14, 2023. (2 pages)