

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, October 24, 2023

TRUSTEES PRESENT

Ms. Jacqueline Ferguson-Miyamoto, Chairperson	Ms. Audrey Hidano
Mr. James Wataru, Vice Chairperson	Ms. Sabrina Nasir
Mr. Wesley Machida, Secretary-Treasurer (via video conference, excused at 11:08 a.m.)	Ms. Maureen Wakuzawa
Mr. Christian Fern	Mr. Ryan Yamane
	Mr. Robert Yu (entered at 9:04 a.m., excused at 12:15 p.m.)

TRUSTEES ABSENT

Mr. Osa Tui

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Ms. Katie Matsushima
Ms. Donna Tonaki, Assistant Administrator	Ms. Jessica McDonald
Ms. Desiree Yamauchi	Mr. Todd Nishida (via video conference)
Ms. Amy Cheung	Ms. Lara Nitta
Mr. Marvin Judd (via video conference)	Ms. Melissa Tom (via video conference)

CONSULTANTS (via video conference)

Ms. Shelley Chun, Segal Consulting	Mr. Stephen Murphy, Segal Consulting
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OTHERS PRESENT (via video or audio conference, unless otherwise noted)

Ms. Stacia Baek, HDS	Ms. Monica Kim, VSP
Ms. Sandra Benevides, CVS (in person)	Ms. Mae Kishimoto, HSTA-Retired
Ms. Tammi Bongoll, Kaiser	Mr. Chris Letoto, HMSA
Mr. Ty Bowers, CVS	Ms. Joni Lozano, CVS
Mr. Su Chai, Kaiser	Mr. Paul Meng
Ms. Erin Dey, Humana	Dr. Christopher Miura, Kaiser
Mr. Joe Ebisa, WithIntelligence	Dr. Rodd Takiguchi, Kaiser
Ms. Kjirsten Elsner, Securian	Mr. Guy Tingey, CVS
Mr. Justin Emerson, CVS	Mr. Troy Tomita, Kaiser
Mr. Thomas England, Kaiser	Ms. Anne VanHaaren, CVS
Dr. Rupal Gohil, HMSA	Mr. Dany Vignola, TELUS Health
Mr. Brent Griffiths, TELUS Health	Mr. Scott Yamaguchi, Kaiser
Mr. Galen Haneda, HMSA	Anonymous
Ms. Vanelle Hirayasu, HMA	

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 Jacqueline Ferguson-Miyamoto, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, October 24, 2023.

II. REVIEW OF MINUTES – SEPTEMBER 26, 2023

The Board reviewed the draft minutes of September 26, 2023. Trustee Hidano requested that the following be added to the end of item III.A, page 2, line 29: “Trustee Hidano reminded TELUS Health to adhere to deadlines and not let dates slip.”

MOTION was made and seconded to approve the minutes of September 26, 2023, as amended. (Wataru/Wakuzawa) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

Trustee Robert Yu entered the meeting at 9:04 a.m.

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:

- A software upgrade was completed the weekend of October 13, 2023 with minimal issues.
- 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 has been completed. Refunds for 345 County of Maui and County of Hawaii BU11 members must still be processed.
- Payroll issues related to pre go-live changes in coverages between January 16 – April 30, 2022 are being manually resolved.
- 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.

Outstanding enrollment forms will be reported in the Member Services Branch Manager's report.

Mr. Dany Vignola who will replace Mr. Griffiths as the TELUS Health Client Relationship Manager was introduced to the Board. Mr. Derek Mizuno noted this change had already been discussed with EUTF staff.

IV. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:11 a.m. (Wataru/Wakuzawa) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

Trustee Machida was excused from the meeting during Executive Session, at 11:08 a.m.

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

Chairperson Ferguson-Miyamoto reported that during Executive Session, the Board:

- Denied an appeal to change plans.
- Approved an appeal to amend open enrollment selections.
- Denied an appeal to change plans.
- Approved an appeal to accept a late open enrollment supporting document.

III. OLD BUSINESS (continued)

B. Maui Update

Mr. Mizuno recommended continuing postponement of canceling members for non-payment and waiving submission deadlines for qualifying events for members with Maui addresses for November.

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 month of November 2023 for members with Maui addresses. (Yu/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

C. Revised EUTF Administrative Rules

Ms. Jessica McDonald presented a memo dated October 13, 2023, regarding Proposed EUTF Administrative Rule changes noting that the City and County of Honolulu requested clarification on Rule 4.03(b) and the Office of the Governor provided technical, non-substantive revisions for consideration. Based on the Office of the Governor's response an additional edit was made to Rules 5.01(d)(7) and 5.02(a)(4) to remove reference to a specific form, DHS Form 1564.

MOTION was made and seconded to approve the revised proposed EUTF Administrative Rule Changes for submission to the Governor. (Yu/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

D. Kaiser Permanente Medical Plan Changes

Mr. Mizuno noted that at the August 29, 2023 Board meeting they approved a benefit enhancement to the EUTF and HSTA VB retiree plans of 40% hearing aid coverage per hearing impaired ear every 36 months effective January 1, 2024 and to move \$5 million from the EUTF Trust to the OPEB Trust to pay for the additional premiums in perpetuity. The Board has the option to improve the benefit to 80% coverage for both the active employees and retirees (the active employees have the 40% coverage) and to move \$10 million from the EUTF Trust to the OPEB Trust. Trustee James Wataru informed the Board that he had this item added to this agenda because of his strong belief that the 80% coverage should be added for both actives and retirees based on the studies that have shown a link between hearing loss and medical conditions such as dementia. Mr. Troy Tomita, Kaiser, noted that Kaiser warranties its hearing aid products for 36 months and that advancement in technology is increasing the frequency turnover. In addition, the hearing aid must be purchased through Kaiser in order to be covered.

MOTION was made and seconded to move into Executive Session at 11:57 a.m. (Nasir/Yu) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

The regular meeting reconvened at 12:10 p.m.

MOTION was made and seconded to adopt hearing aid coverage at 80% per hearing impaired ear every 36 months based on the cost of the lowest priced model 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 to move \$10 million from the EUTF Trust to the OPEB Trust. (Wataru/Wakuzawa Chair Ferguson-Miyamoto informed the Board that if the motion passes it will supersede the August 29, 2023 motion that passed to add 40% coverage for the EUTF and HSTA VB retirees effective January 1, 2024 and to move \$5 million from the EUTF Trust to the OPEB Trust. Trustee Robert Yu informed the Board that he will be changing his vote to a YES because he has a clearer understanding of the medical benefits to the members. The motion passed. (Employer Trustees-3 YES Hidano, Nasir, Yu, 1 NO Yamane/Employee-Beneficiary Trustees-4 YES Ferguson-Miyamoto, Fern, Wakuzawa, Wataru).

Mr. Mizuno noted that the Kaiser 2024 retiree premiums that were previously approved will not be changed and the additional premiums will be paid out of EUTF reserves.

V. NEW BUSINESS

A. 2024 Medicare Part B Premiums and Base Monthly Contribution

Ms. Amy Cheung presented a memo dated October 13, 2023, regarding 2024 Medicare Part B Premium and Retiree Base Monthly Contribution (BMC), noting that the standard Medicare Part B premium has been increased from \$164.90 in 2023 to \$174.70 in 2024.

Mr. Mizuno noted that because the Medicare Part B premium amount for the next year is released by Medicare in mid-October to early-November, oftentimes, the retirees do not have the updated BMC when making their open enrollment plan selections during the last two weeks of October. It is difficult to move open enrollment back because the changes must be provided to the Medicare plan carriers by mid-November. As such, EUTF staff will be presenting a proposed bill to have future BMCs (e.g., 2026 BMC) be based on the change in Medicare Part B premium from the previous two years (e.g., 2024 to 2025) at the November 18, 2023 Administrative Committee.

Trustee Yu was excused from the meeting at 12:15 p.m.

B. Permitted Interaction Group – Employer Contributions to Health Benefits Plans

Mr. Mizuno summarized the memorandum dated August 18, 2021, regarding Permitted Interaction Group – Employer Contributions to Health Benefit Plans. The Trustees noted that the permitted interaction group cannot be established until the participants are determined. Participants will be discussed at the November 21, 2023 Board meeting.

VI. BENEFITS COMMITTEE

Mr. Mizuno summarized the following matters from the October 10, 2023 Benefits Committee report.

- A. CVS/SSI Quarterly Utilization Reports for the period ending June 30, 2023
- B. CVS Drug Savings Review
- C. CVS Prescription Drug Plan Changes

MOTION was made and seconded to approve the Benefits Committee recommendation to add the weight management bundle for the EUTF and HSTA VB active employee and non-Medicare retiree plans effective December 1, 2023. (Wataru/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

MOTION was made and seconded to approve the Benefits Committee recommendation to adopt annual maximum out-of-pockets of \$4,000 per individual and \$8,000 per family for all EUTF active employee self-insured prescription drug plans effective January 1, 2025. (Wataru/Wakuzawa) The motion failed. (Employer Trustees-3 YES Hidano, Nasir, Yamane/ Employee-Beneficiary Trustees-1 YES Wakuzawa, 3 NO Ferguson-Miyamoto, Fern, Wataru)

D. SSI Update on Medicare Part D Benefit Design and the Inflation Reduction Act

MOTION was made and seconded to approve the Benefits Committee recommendation to exclude GLP-1 drugs (if Medicare prior authorization requirements are not met) from the EUTF and HSTA VB EGWP plans including the WRAP effective October 1, 2023 for new utilizers and January 1, 2024 for all utilizers. (Wataru/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Mr. Mizuno noted that subsequent to the Benefits Committee meeting, EUTF staff noted that both Repatha and Praluent are covered under the HSTA VB commercial plans. To maintain consistency between the HSTA VB commercial and EGWP plans, EUTF is recommending that Praluent be covered under the HSTA VB Wrap.

MOTION was made and seconded to

1. Exclude Praluent from the EUTF and HSTA VB EGWP plans and the EUTF WRAP plan effective January 1, 2024 and
2. Allow manual overrides to cover Repatha on the EUTF and HSTA VB EGWP plans including WRAP plans from July 1-December 31, 2023.

(Wataru/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/ Employee-Beneficiary Trustees-4)

E. CVS Formulary Financial Update

1. Choice Formulary
2. Cost Saver Program

F. CVS Biosimilar Update

VII. REPORTS

A. Segal

1. Compliance Updates

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 one Member Representative Services vacant position will be downgraded so EUTF staff can utilize the State's wiki wiki list to hire.

C. EUTF Managers' and Program Specialist' Reports

1. Member Services Branch (MSB)
 - a. MSB Data

- b. Outreach & Training
- c. 2024 Retiree 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. Enrollment Counts
3. Eligibility and Enrollment Report
 - a. Audits Currently in Progress
 - b. Point in Time Reconciliation Audits
 - c. 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)

IV. EXECUTIVE SESSION (continued)

MOTION was made and seconded to move into Executive Session at 12:40 p.m. (Wataru/Nasir) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

The regular meeting reconvened at 12:53 p.m.

Chairperson Ferguson-Miyamoto reported that during Executive Session, the Board reviewed and discussed the September 26, 2023 Executive Session Minutes.

MOTION was made and seconded to approve the Executive Session minutes of September 26, 2023, as circulated. (Wataru/Nasir) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

V. NEXT MEETING

Tuesday, November 21, 2023, 9:00 a.m. – Administrative, Benefits and Investment Committee Reports

VI. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 12:54 p.m. (Wataru/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

Respectfully submitted,

/s/

Wesley Machida, Secretary-Treasurer

APPROVED on November 21, 2023.

Documents Distributed:

1. Draft Board Minutes of September 26, 2023. (6 pages)
2. Hawaii EUTF – Ariel BAS Update, prepared by TELUS Health, dated October 24, 2023. (4 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 October 13, 2023. (2 pages)
4. Memorandum to BOT from Eligibility Specialist, regarding Proposed EUTF Administrative Rule Changes, dated October 13, 2023. (1 page)
5. Memorandum to BOT from Benefits Committee Meeting, regarding August 15, 2023 Benefits Committee Meeting Report, dated August 16, 2023, Redacted Version. (8 pages)
6. Memorandum to Benefits Committee from Segal Consulting, regarding August 15, 2023, Redacted Version. (5 pages)
7. Memorandum to BOT from EUTF Financial Management Officer, regarding 2024 Medicare Part B Premium and Retiree Base Monthly Contribution, dated October 13, 2023. (3 pages)
8. Memorandum to BOT from Administrator, regarding Permitted Interaction Group – Employer Contributions to Health Benefit Plans, dated August 18, 2021. (2 pages)
9. Memorandum to BOT from Benefits Committee, regarding CONFIDENTIAL – October 10, 2023 Benefits Committee Report, dated October 10, 2023, Redacted Version. (4 pages)
10. Memorandum to BOT from Segal Consulting, regarding Meeting of the Board of Trustees – Segal Reports, dated October 24, 2023. (9 pages)
11. Administrator’s Monthly Report to the Board for September 15 – October 13, 2023, dated October 13, 2023. (1 page)
12. Memorandum to BOT from Member Services Branch Manager, regarding September – October 2023 Member Services Operations Report, dated October 13, 2023. (5 pages)
13. Memorandum to BOT from Information Systems Chief, regarding September 2023 – October 2023 Information Systems (IS) Operations Report, dated October 13, 2023. (9 pages)
14. Memorandum to Administrator from Eligibility Specialist regarding September – October 2023 Eligibility and Enrollment Report, dated October 13, 2023. (2 pages)
15. Memorandum to BOT from Health and Wellness Specialist, regarding September – October EUTF Program Specialist Report, dated October 13, 2023. (15 pages)
16. Memorandum to BOT from EUTF Financial Management Officer regarding September – October 2023 Financial Services Branch (FSB) Report, dated October 13, 2023. (15 pages)

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Board of Trustees Meeting

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17. CVS Caremark Monthly Carrier Report for September 2023 dated October 5, 2023. (8 pages)
18. SilverScript Monthly Carrier Report for September 2023 dated October 1, 2023. (2 pages)
19. HDS Monthly Carrier Report for September 2023 dated October 9, 2023. (2 pages)
20. HMA Monthly Carrier Report for September 2023 dated October 6, 2023. (2 pages)
21. HMSA Monthly Carrier Report for September 2023 dated October 10, 2023. (3 pages)
22. Humana Monthly Carrier Report for September 2023 dated October 8, 2023. (3 pages)
23. Kaiser Permanente Monthly Carrier Report for September 2023 dated October 9, 2023.
(2 pages)
24. Securian Financial Monthly Carrier Report for September 2023 dated October 9, 2023. (1 page)
25. VSP Monthly Carrier Report for September 2023 dated October 5, 2023. (2 pages)