

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
Tuesday, November 14, 2023

TRUSTEES PRESENT

Mr. Osa Tui, Chairperson (via video conference)	Ms. Audrey Hidano
Mr. Wesley Machida, Vice Chairperson (via video conference, joined at 9:03 a.m.)	Ms. Sabrina Nasir (excused at 11:00 a.m.)
Ms. Jacqueline Ferguson-Miyamoto	Ms. Maureen Wakuzawa
Mr. Christian Fern (via video conference)	Mr. Ryan Yamane (via video conference)
	Mr. Robert Yu (via video conference, excused at 10:26 a.m.)

TRUSTEES ABSENT

Mr. James Wataru

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Ms. Lara Nitta
Ms. Desiree Yamauchi	Ms. Melissa-Kim Tom (via video conference)

CONSULTANTS

Ms. Shelley Chun, Segal (via video conference)	Ms. Baelee Zeiher, Segal (via video conference)
Mr. Stephen Murphy, Segal	

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

Ms. Stacia Baek, HDS (in person)	Mr. Lawrence Lau, HDS
Ms. Sandra Benevides, CVS	Ms. Joey Lee, HDS (in person)
Ms. Tammi Bongoll, Kaiser	Mr. Chris Letoto, HMSA (in person)
Mr. Su Chai, Kaiser (in person)	Dr. Christopher Miura, Kaiser
Mr. Francis Nick Cuenca, CVS	Mr. Clesson Pang, HDS
Ms. Erin Dey, Humana	Ms. Cathy Rapozo, VSP
Ms. Kjrsten Elsner, Securian	Nr, Dave Shiroma, Kaiser
Mr. Thomas England, Kaiser (in person)	Mr. Guy Tingey, CVS
Ms. Elaine Fujiwara, HDS (in person)	Mr. Troy Tomita, Kaiser (in person)
Dr. Rupal Gohil, HMSA	Ms. Gretel Tsoi, HDS
Mr. Galen Haneda, HMSA	Ms. Anne VanHaaren, CVS
Ms. Vanelle Hirayasu, HMA	Mr. Steven Watts
Dr. Karen Hu, HDS	Mr. Scott Yamaguchi, Kaiser
Ms. Monica Kim, VSP (in person)	Mr. Isaac Yuen, HMSA (in person)

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 9:01 a.m. by Trustee Osa Tui, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, November 14, 2023.

II. REVIEW OF MINUTES – October 10, 2023

The Benefits Committee reviewed the draft minutes of October 10, 2023.

MOTION was made and seconded to approve the minutes of October 10, 2023, as circulated. (Ferguson-Miyamoto/Wakuzawa) The motion passed unanimously. (Employer Trustees-4/

Employee-Beneficiary Trustees-4)

Trustee Wesley Machida joined the meeting at 9:03 a.m.

III. NEW BUSINESS

A. Utilization Reports for the period ending June 30, 2023

1. Kaiser Permanente Semi-Annual Utilization Reports

Mr. Troy Tomita and Mr. Thomas England, Kaiser Permanente, presented their annual claims report through June 30, 2023 for the active employee plans and six-month report for the non-Medicare retiree plans noting the year-over-year per member per month (PMPM) claims trends of 0.7% (lower than the book of business – BOB) and -1.1% (lower than the BOB), respectively. Kaiser noted the following for the active plans:

- Inpatient PMPM increased by 7.3%, which was slightly higher than the BOB, primarily driven by an increase in admissions related to cardiovascular issues. Kaiser attributes this to year-to-year fluctuations (0 cardiovascular-related admissions in PY 2022) since the EUTF population does not have a higher incidence of coronary artery disease than its BOB.
- Pharmacy PMPM increased by 6.5%, which was higher than the BOB, primarily due to an increase in specialty non-formulary dispensing. Kaiser noted that the specialty trend should be helped in the future by adoption of biosimilars such as Amjevita (biosimilar for Humira). Kaiser also noted that its high adoption rate of biosimilars is attributed to its integrated care delivery, in-house evidence-based formulary review, and direct negotiations with drug manufacturers.

Trustee Robert Yu asked about the status of access for Kaiser members to mental health services. Kaiser will provide an update. Chair Tui asked whether the movement to the Kaiser Standard was from changes during open enrollment or new members enrolling in the Kaiser Standard. Mr. Tomita noted that new enrollments are primarily into the Kaiser Standard while movement during open enrollment continues. Mr. Derek Mizuno noted that he has a schedule of open enrollment movement that he will share with the Committee.

2. HMSA Semi-Annual Utilization Reports

Mr. Chris Letoto and Mr. Isaac Yuen, HMSA, presented their annual claims report through June 30, 2023 for the active employee plans and six-month report for their non-Medicare and Medicare retiree plans noting the year-over-year (PMPM) claims trends of 5.1% (lower than the BOB), -3.4% (lower than the BOB) and 14.0% (higher than the BOB), respectively. HMSA noted the following for the active plans:

- Inpatient PMPM increased by 8.4%, which was slightly lower than the BOB, primarily driven by a high number of high cost newborn admissions. This increase in high cost newborn admissions was also seen in the BOB. Segal noted that the high average age of the mothers could be a contributing factor.
- Outpatient PMPM increased by 12.9%, which was significantly lower than the BOB, primarily driven by a return to pre-COVID service levels including the use of the emergency room. Trustee Christian Fern asked if the increase in emergency room visits is due to a member's inability to get an appointment with his physician. HMSA will investigate if this is the case.

- Trustee Robert Yu asked how HMSA will ensure a successful biosimilar strategy. Mr. Yuen responded that under the medical plan HMSA has value-based provider contracts where there is physician incentive to minimize the total cost of care.

The Medicare retiree is artificially high because of a coordination of benefits issue with Medicare. This will be resolved for the full year reporting.

3. Segal SHAPE Report

Mr. Steve Murphy, Segal Consulting, presented their report derived from their receipt of claims data from HMSA, Kaiser and CVS noting the following:

- Increased utilization of the emergency room. Segal, EUTF staff, HMSA and Kaiser will work on developing messaging to members when to use the emergency room.
- Diabetes continues to be a significant portion of claims costs. The HMSA Virta diabetes management program effective January 1, 2024 could help to mitigate these costs in the future if targeted participation and completion rates are met.

4. VSP Active Annual Utilization Report

Ms. Monica Kim, VSP, presented their first utilization report for the EUTF and HSTA VB active employees for the period ending June 30, 2023 noting the following:

- Enrollment decreased by approximately 2% which is consistent with previous years.
- The PMPM claims trend from the prior year was 3.8% (EUTF plans are consistent with the VSP BOB over the last 3 years).
- 28% of actives had an annual eye exam which exceeds the VSP local BOB but is slightly under national BOB rates.
- 92% of actives visited an in-network provider resulting in more than \$4.6 million in savings.

Trustee Robert Yu was excused from the meeting at 10:26 a.m.

The meeting recessed at 10:31 a.m.

The meeting reconvened at 10:35 a.m.

5. HDS Active Annual Utilization Report

Ms. Joey Lee and Ms. Stacia Baek, HDS, presented their first utilization report for the EUTF and HSTA VB active employees for the period ending June 30, 2023 noting the following:

- Enrollment decreased by approximately 1% which is consistent with previous years.
- The PMPM claims trend (0.8%) was lower than the HDS BOB.
- Actives 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.
- 1.6% of actives hit their \$2,000 plan maximum limit in PY 2023 which was the same as PY 2022.

- 98.0% of retirees visited an in-network provider resulting in significant savings.

B. HDS Active Plan Change Proposal

- Increase the lifetime maximum benefit for orthodontics – at the request of a trustee, Ms. Lee presented the additional cost of increasing the lifetime maximum benefit for orthodontics from \$1,000 and the orthodontic benefit provided by other HDS clients. HDS noted that 51% and 33% of large group plans provided no or a \$1,000 lifetime maximum, respectively, for orthodontics.

MOTION was made and seconded to recommend to the Board increasing the lifetime maximum benefit for orthodontics to \$1,500 for the active employee EUTF and HSTA VB dental plans effective July 1, 2024. (Ferguson-Miyamoto/Fern) The motion failed. (Employer Trustees-3 YES Hidano, Nasir, Yamane, 1 NO Machida/Employee-Beneficiary Trustees-4 YES Ferguson-Miyamoto, Fern, Tui, Wakuzawa)

- Removing the limitation on HSTA VB dental implants – HSTA VB active plans are the only plans within the EUTF that has a benefit limitation that requires an implant be between two natural teeth. This was the standard back in the 1990s but has slowly changed over time and most of the HDS BOB do not have this limitation. HDS provided cost estimates to remove the limitation. Segal and EUTF staff recommended this change to bring the plans into alignment.

MOTION was made and seconded to recommend to the Board removing the limitation that an implant be between two natural teeth for the HSTA VB active employee dental and supplemental dental plans effective July 1, 2024. (Ferguson-Miyamoto/Fern) The motion failed. (Employer Trustees-3 YES Hidano, Nasir, Yamane, 1 NO Machida/Employee-Beneficiary Trustees-4 YES Ferguson-Miyamoto, Fern, Tui, Wakuzawa)

C. HMSA Active Plan Change Proposal

Mr. Letoto presented proposed coverage under the HMSA HMO medical plan of applied behavior analysis at 100% as a behavioral health outpatient facility benefit instead of the current \$15 copayment as a physician visit to ensure compliance with the federal Mental Health Parity Act. Additional costs to the plan are minimal.

MOTION was made and seconded to recommend to the Board covering applied behavior analysis services at 100% under the EUTF HMSA HMO effective July 1, 2024. (Ferguson-Miyamoto/Wakuzawa) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

D. Segal Compliance Updates

1. 2024 Medicare Advantage Plan Changes

Mr. Murphy summarized recent changes to Medicare Advantage plans for 2024.

2. Telehealth Coverage

Mr. Murphy noted that HMSA and Kaiser are in compliance with Act 107, 2023 Legislative Session that requires coverage of audio only services for diagnosis, evaluation, and treatment of mental health disorders through December 31, 2025.

Kaiser also covers audio only services for non-mental health while HMSA does not.

Trustee Sabrina Nasir was excused from the meeting at 11:00 a.m.

E. Segal Active Annual Report for the period ending June 30, 2023

Mr. Murphy presented their analysis of the medical, dental and vision plans noting no items that would require plan design changes. However, improvements are needed in HMSA Model of Care participation along with monitoring of the Virta diabetes management program effective January 1, 2024.

Trustee Ryan Yamane asked why Segal chose to compare our plans to western state plans and not the federal plan or other state plans that may face similar geographic challenges with respect to access to care. Mr. Murphy explained that the western state plans were chosen because of the existence of Kaiser Permanente in Washington, Oregon, and California.

IV. NEXT MEETING DATE – February 6, 2024

The next meeting agenda will include the 2024 health and wellness communication plans, and HMSA and Kaiser Permanente annual disease burden and HEDIS reports ending December 31, 2022.

V. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 11:29 a.m.

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

Respectfully submitted,

/s/

Osa Tui, Chairperson

Documents Distributed:

1. Draft Benefits Committee Minutes of October 10, 2023. (6 pages)
2. EUTF, Cost and Utilization Summary, Actives and Non-Medicare Retirees, prepared by Kaiser Permanente, dated 11/14/2023, Redacted Version. (24 pages)
3. EUTF Semi-Annual, Cost Utilization Summary, prepared by HMSA, dated November 14, 2023, Redacted Version. (36 pages)
4. EUTF, Semi-Annual Utilization Report, Active Plans, For the Period Ending 6/30/2023, prepared by Segal Consulting, Dated November 14, 2023. (17 pages)
5. EUTF & HSTA VB, Active Utilization, Plan Year Ending 06/30/2023, prepared by VSP, Redacted Version. (19 pages)
6. EUTF & HSTA VB, Actives Utilization, July 1, 2022 – June 30, 2023, prepared by HDS, Redacted Version. (21 pages)
7. Plan Change Overview and Authorization, 2024 EUTF Actives (November Benefits Committee Meeting Benefit Change Proposal, prepared by HMSA, Redacted Version. (1 page)
8. Memorandum to Board of Trustees from Segal Consulting, regarding 2024 Medicare Advantage Plan Changes, dated November 14, 2023. (2 pages)

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9. Memorandum to Board of Trustees from Segal Consulting, regarding Telehealth Coverage, dated November 14, 2023. (1 page)
10. EUTF, 2023 Annual Analysis Report, Active Employees, prepared by Segal Consulting, dated November 14, 2023, Redacted Version. (28 pages)