

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Benefits Committee Meeting  
Tuesday, May 21, 2024

TRUSTEES PRESENT

Mr. Osa Tui, Chairperson (via video conference, joined at 9:03 a.m.)    Ms. Sabrina Nasir (via video conference)  
Mr. Wesley Machida, Vice Chairperson (via video conference)    Ms. Maureen Wakuzawa  
Mr. Christian Fern    Mr. James Wataru (entered at 9:08 a.m.)  
Ms. Audrey Hidano    Mr. Ryan Yamane (via video conference, joined at 9:26 a.m.)

TRUSTEES ABSENT

Ms. Jacqueline Ferguson-Miyamoto    Mr. Robert Yu

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)    Mr. Stephen Murphy, Segal

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

Mr. Blaise Aquino, HMSA (in person)    Mr. Chris Letoto, HMSA (in person)  
Ms. Stacia Baek, HDS (in person)    Mr. Larry Loew, Humana  
Ms. Sandra Benevides, CVS (in person)    Ms. Cara McClean, HDS  
Ms. Carol Bernal, Verdegard    Ms. Denise Mercil, Securian  
Mr. Ty Bowers, CVS    Dr. Christopher Miura, Kaiser  
Mr. Austin Bunag, HMSA    Mr. Kurt Neuenfeld, CVS  
Mr. Francis Cuenca, CVS    Mr. Clesson Pang, HDS  
Mr. Thomas England, Kaiser (in person)    Mr. Dave Shiroma, Kaiser  
Ms. Elaine Fujiwara, HDS (in person)    Ms. Jenny Smith, Humana  
Ms. Kehau Giles, HMSA (in person)    Dr. Rodd Takiguchi, Kaiser  
Mr. Dale Goya, HMSA (in person)    Mr. Troy Tomita, Kaiser (in person)  
Ms. Monica Kim, VSP (in person)    Ms. Anne VanHaaren, CVS  
Ms. Meagan Kini, HMSA (in person)    Ms. Barbara Vandenbrande, VSP  
Mr. Lawrence Lau, HDS    Mr. Isaac Yuen, HMSA (in person)  
Ms. Joey Lee, HDS (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 9:00 a.m. by Trustee Wesley Machida, Vice Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, May 21, 2024.

II. REVIEW OF MINUTES – April 9, 2024

The Benefits Committee reviewed the draft minutes of April 9, 2024.

MOTION was made and seconded to approve the minutes of April 9, 2024, as circulated. (Fern/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

Chairperson Osa Tui entered the meeting at 9:03 a.m.

### III. NEW BUSINESS

#### A. Utilization Reports for the period ending December 31, 2023

##### 1. Kaiser Permanente Semi-Annual Utilization Report

Mr. Troy Tomita and Mr. Thomas England, Kaiser Permanente, presented the Kaiser semi-annual claims report through December 31, 2023 for the active employee and non-Medicare retiree plans noting that the EUTF non-Medicare retiree per member per month (PMPM) claims trend (4.4%) was lower than the Kaiser commercial book of business (BOB). The primary driver of the EUTF lower trend is a decrease in inpatient days per 1,000 of 41.4%. The active employee PMPM claims trend for the six-months ended (9.0%) was greater than the Kaiser commercial BOB due to high-cost claimants in the first six-months of PY2024.

Trustee James Wataru entered the meeting at 9:08 a.m., during Kaiser Permanente's presentation.

##### 2. HMSA Semi-Annual Utilization Report

Mr. Chris Letoto and Mr. Isaac Yuen, HMSA, presented the HMSA semi-annual claims report through December 31, 2023 for the active employee, non-Medicare retiree and Medicare retiree plans noting that the EUTF non-Medicare PMPM claims trend (2.8%) was lower than the HMSA commercial BOB and the EUTF Medicare PMPM claims trend (8.2%) was higher than the HMSA Medicare Advantage (MA) plans. The high trend for the EUTF Medicare retirees was driven by inpatient, durable medical equipment, and specialty drug utilization. Over the past 4-years, the EUTF Medicare retirees annualized growth rate of 3.4% was lower than the HMSA MA plans. The active employee PMPM claims trend for the six-months ended (11.7%) was higher than the HMSA commercial BOB. The trend is being driven by high-cost claimants in the first six-months of PY2024 and increased specialty medication utilization. Over the past 4-years, the EUTF active annualized growth rate of 7.9% is higher than the HMSA commercial BOB.

Trustee Ryan Yamane entered the meeting at 9:26 a.m., during HMSA's presentation.

##### 3. VSP Annual Retiree Utilization Report

Ms. Monica Kim, VSP, presented the VSP utilization report for the EUTF and HSTA VB retirees for the period ending December 31, 2023 noting the following:

- The PMPM claims trend from 2022 to 2023 was 4.1%.
- 28% of retirees had an annual eye exam which exceeds the VSP local BOB rate.
- 92% of retirees visited an in-network provider for services resulting in \$5.3 million in savings.

##### 4. HDS Annual Retiree Utilization Report

Ms. Stacia Baek and Ms. Joey Lee, HDS, presented the HDS utilization report for the EUTF and HSTA VB retirees for the period ending December 31, 2023 noting the following:

## HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Benefits Committee Meeting

May 21, 2024 Minutes

Page 3

- The PMPM claims trend (3.6%) was higher than the HDS BOB due to higher utilization of diagnostic and preventive services (43.7% of claims) and a richer 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.
- 3.6% of retirees hit their \$2,000 plan maximum limit in 2023 (vs. 3.4% in 2022).
- 98.2% of retirees visited an in-network dentist resulting in significant in savings.

### B. Proposed Plan Changes

#### 1. HDS

Ms. Baek and Ms. Lee, HDS, proposed increasing coverage of basic services (e.g., fillings, root canals, gum surgeries and extractions) from 60% to 80% with or without a \$50 deductible on services not covered at 100% for the EUTF and HSTA VB retiree plans to align with the EUTF and HSTA VB active plans effective January 1, 2025. This change with the deductible would match the EUTF and HSTA VB active employee plans. Estimated annual additional costs to the plans (\$50 million increase in the unfunded liability) without the deductible were discussed with half the impact with the deductible.

MOTION was made and seconded to recommend to the Board:

- Coverage of basic services at 80% without a deductible for the EUTF & HSTA VB retiree dental plans effective January 1, 2025 and
- Transfer of \$50 million from the EUTF Trust Fund to the OPEB Trust Fund (Fern/Wataru) The motion failed. (Employer Trustees-4 NO Hidano, Machida, Nasir, Yamane/Employee-Beneficiary Trustees-4 YES Fern, Tui, Wakuzawa, Wataru)

MOTION was made and seconded to recommend to the Board:

- Coverage of basic services at 80% with a \$50 deductible on services not covered at 100% for the EUTF & HSTA VB retiree dental plans effective January 1, 2025 and
- Transfer of \$25 million from the EUTF Trust Fund to the OPEB Trust Fund (Fern/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

#### 2. Kaiser Permanente

Mr. Tomita and Mr. England, Kaiser, proposed the following benefit changes:

- Reduction of the urgent care copayment for the EUTF and HSTA VB Kaiser Permanente Senior Advantage (KPSA) plans from \$20 to \$15 to align with primary and specialty care copayments. The KPSA plans are community-rated.
- Addition of coverage of residential hospice at 100% under the HSTA VB KPSA plan effective January 1, 2025 to align with the EUTF and HSTA VB active employee and EUTF KPSA plan and to provide an alternative to home hospice coverage. The KPSA plans are community-rated.
- Adoption of the benefit maximum (increasing from \$6,898 to \$6,927 in 2025) mandated by the State of Hawaii for coverage of orthodontic treatment of orofacial anomalies for the EUTF & HSTA VB active employee and non-Medicare retiree plans. Although the EUTF is not subject to this coverage mandate, the EUTF

Board included this coverage back in 2015.

- Removal of the limitation of two elective pregnancy terminations of non-viable fetuses per lifetime for the EUTF and HSTA VB active employee and non-Medicare retiree plans effective July 1, 2025 and January 1, 2025, respectively, to align with Kaiser Hawaii and national BOB. Kaiser Hawaii region is currently the only region across Kaiser that applies a lifetime limit and with the overturn of Roe v. Wade and a proposed bill at the 2024 State Legislature, Kaiser Hawaii is focusing on improving access.

The Committee noted utilization and premium impact for each of the changes as presented by Kaiser.

MOTION was made and seconded to recommend to the Board decreasing the urgent care copayment to \$15 under the EUTF and HSTA VB Kaiser Permanente Senior Advantage plans effective January 1, 2025. (Fern/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

MOTION was made and seconded to recommend to the Board adding residential hospice coverage at 100% under the HSTA VB Kaiser Permanente Senior Advantage plan effective January 1, 2025. (Fern/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

MOTION was made and seconded to recommend to the Board adoption of the benefit maximum mandated by the State of Hawaii for coverage of orthodontic treatment of orofacial anomalies for the EUTF & HSTA VB Kaiser Permanente active employee and non-Medicare retiree medical/prescription drug plans. (Fern/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

MOTION was made and seconded to recommend to the Board removal of the limitation of two elective pregnancy terminations of non-viable fetuses per lifetime under the EUTF and HSTA VB Kaiser Permanente active employee and non-Medicare retiree medical/prescription drug plans effective July 1, 2025 and January 1, 2025, respectively. (Fern/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

### 3. HMSA

Mr. Letoto, HMSA, presented a proposal to adopt the benefit maximum (increasing from \$6,900 to \$6,930 in 2025) mandated by the State of Hawaii, rounded up to the nearest \$10, for coverage of orthodontic treatment of orofacial anomalies for the EUTF & HSTA VB active employee and retiree plans. 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 as presented by HMSA.

MOTION was made and seconded to recommend to the Board adoption of the benefit maximum mandated by the State of Hawaii, rounded up to the nearest \$10, for coverage of orthodontic treatment of orofacial anomalies for the EUTF & HSTA VB HMSA active employee and retiree medical plans. (Fern/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

4. Humana

Ms. Jenny Smith, Humana, proposed continuation of the following programs under their new contract beginning January 1, 2025:

- In-Home Health and Well-Being Assessment
- SilverSneakers
- Go365 by Humana and Personal Health Coaching
- Smoking Cessation
- Meal Program
- Post-Discharge In-Home Personal Care Services
- Post-Discharge Transportation Services

In addition, Humana proposed a new Hawaii Interisland Travel benefit.

The Committee noted utilization and premium impact for all of the programs as presented by Humana.

MOTION was made and seconded to recommend to the Board adoption of the following programs for the EUTF retiree Humana Medicare Advantage plan effective January 1, 2025 through the end of the contract:

- In-Home Health and Well-Being Assessment
- SilverSneakers
- Go365 by Humana and Personal Health Coaching
- Smoking Cessation
- Meal Program
- Post-Discharge In-Home Personal Care Services
- Post-Discharge Transportation Services

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

MOTION was made and seconded to recommend to the Board adoption of Hawaii Interisland Travel coverage at 100% under the EUTF retiree Humana Medicare Advantage plan effective January 1, 2025 through the end of the contract.

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

5. CVS

Ms. Shelley Chun, Segal Consulting, proposed addition of prior authorization for Rezdiffra which treats a fatty liver disease called non-alcoholic steatohepatitis (NASH or MASH) under the EUTF CVS active employee and non-Medicare retiree prescription drug plans effective July 1, 2024.

MOTION was made and seconded to recommend to the Board addition of prior authorization on Rezdiffra under the EUTF active employee and non-Medicare retiree prescription drug plans administered by CVS effective July 1, 2024. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Benefits Committee Meeting

May 21, 2024 Minutes

Page 6

C. 2024 Segal Retiree Annual Report

Mr. Steve Murphy, Segal Consulting, presented their annual review of the retiree medical, dental and vision plans.

D. Segal Open Panel HMO Analysis (informational only)

Mr. Derek Mizuno and Mr. Murphy presented information on the HMSA HMO plan and items to consider going forward. HMSA will provide an update on their HMO plan in August 2024.

IV. NEXT MEETING DATE – July 9, 2024

The next meeting agenda will include updates on the CVS drug pricing model and the Inflation Reduction Act.

V. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 10:55 a.m. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

APPROVED on August 19, 2024.

Documents Distributed:

1. Draft Benefits Committee Minutes for April 9, 2024. (4 pages)
2. EUTF Cost and Utilization Summary, Non-Medicare Retirees and Actives, prepared by Kaiser Permanente, dated May 21, 2024, Redacted Version. (23 pages)
3. EUTF Semi-Annual Cost Utilization Summary, prepared by HMSA, dated May 21, 2024, Redacted Version. (42 pages)
4. EUTF & HSTA VB Retiree Utilization, Plan Year Ending 12/31/2023, prepared by VSP Vision Care, dated May 21, 2024, Redacted Version. (19 pages)
5. EUTF & HSTA VB Retirees Utilization, January 1, 2023 – December 31, 2023, and Proposed Plan Changes Effective 1/1/2025, prepared by HDS, dated May 21, 2024, Redacted Version. (16 pages)
6. Memorandum to EUTF Board of Trustees, from Kaiser Permanente, regarding 2025 Retiree Benefit Change, dated May 21, 2024, Redacted Version. (3 pages)
7. HMSA Plan Change Overview and Authorization, 2025 EUTF Actives and Retirees, prepared by HMSA, Redacted Version. (1 page)
8. Memorandum to EUTF Benefits Committee, from Humana, regarding 2024 Humana Medicare Advantage Plan Benefit changes, dated May 21, 2024, Redacted Version. (5 pages)
9. Memorandum to EUTF, from Segal Consulting, regarding Rezdiffra Prior Authorization, dated May 7, 2024, Redacted Version. (2 pages)
10. EUTF 2024 Annual Analysis Report, Retirees, prepared by Segal Consulting, dated May 21, 2024, Redacted Version. (19 pages)
11. State of Hawaii 2024 Benchmarking, prepared by Segal Consulting, Redacted Version. (7 pages)
12. EUTF Semi-Annual Utilization Report, Retiree Plans, Current Period: January 1, 2023 – December 31, 2023, Prior Record: January prepared by Segal Consulting, dated May 21, 2024 (16 pages).

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Benefits Committee Meeting

May 21, 2024 Minutes

Page 7

13. Memorandum to Benefits Committee, from Program Specialist, regarding Open Panel HMO Overview – CONFIDENTIAL, dated May 1, 2024, Redacted Version. (3 pages)
14. Memorandum to EUTF Board of Trustees, from Segal Consulting, regarding Open Panel HMO Analysis (Informational Only), dated May 21, 2024, Redacted Version. (8 pages)