

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, July 30, 2024

TRUSTEES PRESENT

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

TRUSTEES ABSENT

Ms. Audrey Hidano

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

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

CONSULTANTS (via video conference, unless otherwise noted)

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| Ms. Shelley Chun, Segal Consulting | Mr. Stephen Murphy, Segal Consulting (in person) |
| Ms. Mary Fedor, Segal Consulting | Mr. Richard Ward, Segal Consulting (in person) |

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

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| Ms. Salena Atencio, Verdegard | Mr. Chris Letoto, HMSA (in person) |
| Ms. Stacia Baek, HDS | Ms. Charina Masatsugu, Kaiser |
| Ms. Amy Bell, TELUS Health (in person) | Ms. Denise Mercil, Securian |
| Ms. Sandra Benevides, CVS | Dr. Christopher Miura, Kaiser |
| Mr. Ty Bowers, CVS | Mr. Kurt Neuenfeld, CVS |
| Mr. Francis Cuenca, CVS | Ms. Kris Onaga, HMSA |
| Mr. Joe Ebisa, WithIntelligence | Ms. Canela Queiruga, Verdegard |
| Mr. Thomas England, Kaiser | Mr. Frank Rogozienski, Legislature |
| Dr. Rupal Gohil, HMSA | Mr. Dave Shiroma, Kaiser |
| Mr. Roy Goo, HMSA (in person) | Ms. Jenny Smith, Humana |
| Mr. Galen Haneda, HMSA | Mr. Don Thacker, TELUS Health (in person) |
| Ms. Monica Kim, VSP | Mr. Troy Tomita, Kaiser |
| Ms. Meagan Kini-Ho, HMSA | Ms. Anne VanHaaren, CVS |
| Ms. Mae Kishimoto, HSTA-Retired | Mr. Albert Vargas, Legislature |

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 Ryan Yamane, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, July 30, 2024.

II. REVIEW OF MINUTES – JUNE 25, 2024

The Board reviewed the draft minutes of June 25, 2024.

MOTION was made and seconded to approve the minutes of June 25, 2024, as circulated. (Wataru/Wakuzawa) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

III. OLD BUSINESS

A. Benefits Administration System Implementation Status Update

Ms. Donna Tonaki, Ms. Amy Bell and Mr. Don Thacker, TELUS Health provided an update on the implementation of the new Benefits Administration System (BAS) noting the following:

- Sprint 3 put into Production on July 2, 2024.
- For the 12 payroll and other accounting report issues, 10 have been closed and two will be completed by December 31, 2024.
- SSI imports will be removed as it has substantially been completed.
- Death imports continue to be worked on with the Department of Health and TELUS Health. The expected completion date is August 30, 2024.
- Milestone (e.g., when a surviving spouse's dependent child turns 19-23, the BAS is supposed to mail a letter requesting a student certification for retiree coverage) and expiry (e.g., if the student certification is not submitted, the BAS is supposed terminate the dependents applicable coverages) jobs are projected to be completed by October 31, 2024.

IV. NEW BUSINESS

A. Inflation Reduction Act

1. Segal update on creditable coverage

Mr. Steve Murphy, Segal Consulting, informed the Board that the EUTF and HSTA VB active employee and non-Medicare retiree self-funded prescription drug plans will continue to be considered creditable coverage in 2025 even with the federal requirement of a \$2,000 annual maximum out-of-pocket for Medicare Part D prescription drug plans. The creditable coverage designation ensures that members age 65 or older enrolled in these plans will not be subject to penalties when they enroll in a Medicare Part D prescription drug plan. Kaiser will also be validating creditable coverage of their active employee and non-Medicare prescription drug plans in 2024 and at this point, do not foresee any issues.

2. SilverScript update on the Medicare Prescription Payment Plan

Mr. Ty Bowers, SilverScript, presented information on the federally mandated Medicare Prescription Drug Payment Plan (M3P) effective January 1, 2025 including monthly per enrollment member cost, billing, outstanding balances, how to enroll, process for termination from M3P and member experience. The Board also noted that Kaiser will also be adding this to their Senior Advantage plans effective January 1, 2025 to comply with federal law. Mr. Derek Mizuno noted that since there is some question whether this federal mandate will apply to EGWP and state plans, the Board can approve the M3P, if required by federal law.

MOTION was made and seconded to have SilverScript administer the Medicare Prescription Payment Plan, if required by law, for the EUTF and HSTA VB self-funded Medicare prescription drug plans administered by SilverScript effective January 1, 2025. (Yu/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

3. EGWP out-of-network benefit

Mr. Bowers informed the Board that with the addition of the \$2,000 annual out-of-pocket maximum effective January 1, 2025 to the EGWP, SilverScript is no longer able to administer the current out-of-network non-specialty copayment + coinsurance (20% EUTF and 30% HSTA VB). Over the past 12-months, there were only five members with 13 prescriptions (all for vaccinations) that had such out-of-network claims. Removing the coinsurance would increase plan costs by \$600 while removing the copayment would be cost neutral. EUTF staff recommended removing the copayment.

MOTION was made and seconded to change the out-of-network non-specialty member cost share to a 20% coinsurance under the EUTF Medicare prescription drug plan and a 30% coinsurance under the HSTA VB Medicare prescription drug plan both administered by SilverScript effective January 1, 2025. (Ferguson-Miyamoto/Yu) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

B. HMSA Specialty Drug Strategy

Mr. Roy Goo and Mr. Chris Letoto, HMSA, summarized the HMSA strategy to address the specialty drug trend under the medical plan.

V. REPORTS

A. EUTF Benefits Consultant (Segal)

1. Compliance News
2. Five-Year Rate Projection with Approved 2025 Retiree Prescription Drug Rates
Mr. Murphy, Segal Consulting, summarized the Segal updates.

B. Administrator

1. Meetings with Legislators and Unions
2. Staffing Update
3. Training

C. EUTF Managers' and Program Specialists' Reports

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. Outreach & Training
 - c. 2024 Active Employee Open Enrollment
Mr. Mizuno summarized active employee plan changes during open enrollment.
2. Information Systems (IS)
 - a. EUTF New Benefits Administration System (BAS) Project
 - b. Security Assessment
 - c. Enrollment Counts

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3. Eligibility and Enrollment Report
 - a. Audits Currently in Progress
 - b. Point in Time Reconciliation Audits
 - c. Recurring Audits
4. Health and Wellness 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. 2024 Financial Audit
 - e. Financial Statements as of May 31, 2024
- D. Carrier Reports
 1. CVS Caremark
 2. SilverScript
 3. Hawaii Dental Service (HDS)
 4. Hawaii Medical Service Association (HMSA)
 5. Humana
 6. Kaiser Health Foundation
 7. Securian
 8. Verdegard Hawaii (formerly known as HMA)
 9. Vision Service Plan (VSP)

Trustee Christian Fern voiced concerns that nurses at Kapiolani Medical Center and Queen's Medical Center are working without contracts and how access to medical care could be compromised if the nurses went on strike. He encouraged HMSA to use their influence to help resolve the situation to ensure EUTF members are not negatively impacted by a strike. Mr. Letoto said HMSA will provide a response.

Chairperson Yamane extended his appreciation to the carriers for past and upcoming attendance at the State Department of Human Services wellness fairs.

VI. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 10:13 a.m. (Ferguson-Miyamoto/Yu) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 10:20 a.m.

Chairperson Yamane reported that during Executive Session, the Board reviewed and discussed the June 25, 2024 minutes. Since there were no edits or objections by the Trustees, the minutes stand approved.

VII. NEXT MEETING

Tuesday, August 27, 2024, 9:00 a.m. – Benefits, Investment and Administrative Committee

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Reports

Mr. Mizuno informed the Board that there are only three employer trustees able to attend the August 27, 2024 Board Meeting and Trustee Audrey Hidano will only be available until 11:00 a.m., so we'll lose quorum at 11:00 a.m. Mr. Mizuno believes that will be enough time for the Board meeting but suggested moving the Board meeting start time to 8:30 a.m. The Board will be polled for a start time of 8:30 a.m. instead.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:22 a.m. (Ferguson-Miyamoto/Yu) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

APPROVED on September 24, 2024.

Documents Distributed:

1. Draft Board Minutes of June 25, 2024. (5 pages)
2. Hawaii EUTF – Ariel BAS Update, prepared by TELUS Health, dated July 30, 2024. (5 pages)
3. Memorandum to EUTF Benefits Committee from Segal Consulting, regarding Creditable Coverage Assessment for EUTF's Prescription Drug Benefits for the Active Plan Year Ending June 30, 2025, and Retiree Plan Year Ending December 31, 2025, dated June 28, 2024. (3 pages)
4. CVS Caremark, Medicare Prescription Payment Plan (M3P), prepared by CVS Health, dated July 9, 2024, Redacted Version. (7 pages)
5. EUTF Retirees, 2025 Medicare Retirees-Out of Network Claims Member Cost Share, prepared by SilverScript, dated July 9, 2024, Redacted Version. (6 pages)
6. Improved Management for Medically Benefitted Drugs, prepared by HMSA, dated July 9, 2024. (6 pages)
7. Memorandum to BOT from Segal Consulting, regarding Segal Reports – Compliance News, dated July 30, 2024. (8 pages)
8. Administrator's Monthly Report to the Board for June 15 – July 19, 2024, dated July 19, 2024. (1 page)
9. Memorandum to BOT from Member Services Branch Manager, regarding June – July 2024 Member Services Operations Report, dated July 19, 2024. (9 pages)
10. Memorandum to BOT from Information Systems Chief, regarding June 2024 – July 2024 Information Systems (IS) Operations Report, dated July 19, 2024. (9 pages)
11. Memorandum to Administrator from Eligibility Specialist regarding June – July 2024 Eligibility and Enrollment Report, dated July 19, 2024. (2 pages)
12. Memorandum to EUTF BOT from Program Specialist regarding June – July 2024 Health and Wellness Specialist Report, dated July 19, 2024. (7 pages)
13. Memorandum to BOT from EUTF Financial Management Officer regarding June 2024 – July 2024 Financial Services Branch (FSB) Report, dated July 19, 2024. (15 pages)
14. CVS Caremark Monthly Carrier Report for June 2024 dated July 1, 2024. (2 pages)
15. SilverScript Monthly Carrier Report for June 2024 dated July 1, 2024. (3 pages)
16. HDS Monthly Carrier Report for June 2024 dated July 9, 2024. (2 pages)
17. HMSA Monthly Carrier Report for June 2024 dated July 9, 2024. (3 pages)
18. Humana Monthly Carrier Report for June 2024 dated July 8, 2024. (3 pages)

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19. Kaiser Permanente Monthly Carrier Report for June 2024 dated July 9, 2024. (2 pages)
20. Securian Financial Monthly Carrier Report for June 2024 dated July 10, 2024. (1 page)
21. Verdegard Hawaii Monthly Carrier Report for June 2024 dated July 8, 2024. (2 pages)
22. VSP Monthly Carrier Report for June 2024 dated July 10, 2024. (6 pages)