

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, October 22, 2024

TRUSTEES PRESENT

Mr. Robert Yu, Vice Chairperson
Mr. James Wataru, Secretary-Treasurer
Ms. Jacqueline Ferguson-Miyamoto
Mr. Christian Fern
Ms. Audrey Hidano
Mr. Wesley Machida (via video conference)
Ms. Sabrina Nasir (via video conference, excused at 9:50 a.m.)
Mr. Osa Tui
Ms. Maureen Wakuzawa

TRUSTEES ABSENT

Mr. Ryan Yamane, Chairperson

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Mr. Donna Tonaki, Assistant Administrator
Ms. Amy Cheung, Financial Management Officer (via video conference)
Ms. Jessica McDonald, Member Services Branch Manager
Mr. Todd Nishida, Information Systems Chief (via video conference)
Ms. Desiree Yamauchi
Mr. Marvin Judd (via video conference)
Ms. Emily Kaimuloa (via video conference)
Ms. Katie Matsushima
Ms. Lara Nitta (via video conference)
Ms. Melissa Tom (via video conference)

CONSULTANTS (via video conference)

Mr. Tyler Brotz, Segal Consulting
Ms. Shelley Chun, Segal Consulting
Ms. Mary Fedor, Segal Consulting
Mr. Stephen Murphy, Segal Consulting

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

Ms. Sharon Aguina
Ms. Roberta Akiu
Mr. Blaise Aquino, HMSA
Ms. Tiffany Andrade, HMSA
Ms. Salena Atencio, Verdegard
Ms. Stacia Baek, HDS
Ms. Amy Bell, TELUS Health
Ms. Sandra Benevides, CVS
Mr. Su Chai, Kaiser
Mr. Francis Cuenca, CVS
Mr. Joe Ebisa, WithIntelligence
Mr. Thomas England, Kaiser
Ms. Samantha Furutani, CVS
Dr. Rupal Gohil, HMSA
Mr. Galen Haneda, HMSA
Ms. Monica Kim, VSP
Ms. Meagan Kini-Ho, HMSA
Ms. Mae Kishimoto, HSTA-Retired
Ms. Joey Lee, HDS
Mr. Chris Letoto, HMSA (in person)
Ms. Joni Lozano, CVS
Ms. Charina Masatsugu, Kaiser
Ms. Allison McClintock
Ms. Denise Mercil, Securian
Dr. Christopher Miura, Kaiser
Mr. Ezra Ng, HMSA
Ms. Canela Queiruga, Verdegard
Mr. Dave Shiroma, Kaiser
Ms. Jenny Smith, Humana
Dr. Rodd Takiguchi, Kaiser
Mr. Troy Tomita, Kaiser
Anonymous (x2)

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 Vice Chairperson Robert Yu, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, October 22,

2024.

II. REVIEW OF MINUTES – SEPTEMBER 24, 2024

The Board reviewed the draft minutes of September 24, 2024. Since there were no edits or objections by the Trustees, the minutes stand approved.

III. OLD BUSINESS

A. Benefits Administration System Implementation Status Update

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

- Sprint 7 (upgrades and milestone and expiry jobs) went into Production on October 11, 2024. EUTF is now current on software upgrades.
- Sprint 8 (retiree open enrollment, death file import and retro processing enhancements) is scheduled to go into Production on November 18, 2024.
- There's no change on the two remaining payroll and other accounting report and the remaining death file import issues, all scheduled to be completed by December 31, 2024.
- Ninety percent of the student expiry (e.g., if the student certification is not submitted, the BAS is supposed to terminate the dependents applicable coverages) job is working. Two remaining scenarios need to be updated. The Medicare expiry is scheduled to go into Production by October 31, 2024.
- The milestone job for recertification of student dependents of surviving spouses was put into Production on September 6. This item will be removed.

IV. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:05 a.m. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

Trustee Sabrina Nasir were excused from the meeting at 9:50 a.m., during Executive Session.

The regular meeting reconvened at 10:04 a.m.

Vice Chairperson Yu reported that during Executive Session, the Board

- Approved an appeal to waive coverage.
- Deferred an appeal to waive audit requirements.
- Denied an appeal to waive future audit requirements for a retiree.

III. OLD BUSINESS (continued)

B. Permitted Interaction Group

Mr. Derek Mizuno reported the findings and recommendations of the permitted interaction group. The Board can decide at the November 26, 2024 meeting on whether to move forward with a recommendation to the Governor, Lt. Governor, Mayors, Senate President and Speaker of the House to conduct a comprehensive review of the employees' compensation package.

V. COMMITTEE REPORT

A. Benefits Committee

1. Medicare Retiree Prescription Drug Plan
 - a. SSI Semi-Annual Utilization Report for the period ending June 30, 2024
 - b. SSI Update on Medicare Part D Benefits Design and the Inflation Reduction Act
2. Active and Non-Medicare Retiree Prescription Drug Plan
 - a. CVS Semi-Annual Utilization Reports for the period ending June 30, 2024
 - b. Proposed CVS Prescription Drug Plan Changes
 - c. Segal Active Annual Prescription Report as of June 30, 2024
 - d. Pharmacy vs. Medical Coverage of Continuous Glucose Monitors and Disposable Insulin Pumps
 - e. PrudentRX Opportunity Analysis
 - f. CVS CostVantage and TrueCost
3. Proposed HMSA Medical Plan Changes
4. Proposed HDS Dental Plan Changes
5. Proposed VSP Vision Plan Changes
6. Dependent Child Eligibility

Mr. Mizuno summarized the Benefits Committee report and the recommendation from the Benefits Committee. Trustee Wesley Machida noted that he spoke to the actuary, GRS, who was able to address his concerns that he mentioned at the Benefits Committee regarding the impact on the unfunded actuarial accrued liability of expanding the dependent children dental and vision coverage to the retirees. He is now supportive of expanding the dental and vision coverage for dependent children of actives and retirees.

MOTION was made and seconded to approve the Benefits Committee's amended recommendation to:

1. Adopt the Hyperinflation Management Program under the EUTF active employee and non-Medicare retiree prescription drug plans administered by CVS effective July 1, 2025;
2. Adopt the Basic Control Formulary under the EUTF active employee and non-Medicare retiree prescription drug plans administered by CVS effective July 1, 2025;
3. Revise utilization management for antidiabetic GLP-1s by removing metformin and diabetic supplies from the 24-month smart logic lookback period under the EUTF active employee and non-Medicare retiree prescription drug plans administered by CVS effective July 1, 2025;
4. Cover Medicare covered preventive screening services at the current preventive screening benefit level under the EUTF and HSTA VB HMSA non-Medicare and Medicare retiree medical plans effective January 1, 2025;
5. Cover two fluoride treatments per calendar year through age 19 under the HSTA VB HDS active employee dental and supplemental dental plans effective July 1, 2025;
6. Cover dependent children under the active employee dental and vision plans and retiree medical, prescription drug, dental and vision plans under the same eligibility

criteria as active employee medical/prescription drug plans effective July 1, 2025 and

7. Transfer of \$30.9 million from the EUTF Trust Fund to the OPEB Trust Fund (Tui/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

The HMSA cardiac rehabilitation program will be added to the November Benefits Committee agenda.

VI. REPORTS

A. EUTF Benefits Consultant (Segal)

1. Compliance News

Mr. Stephen Murphy summarized the Segal reports.

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. 2025 Retiree Open Enrollment
2. Information Systems (IS)
 - a. EUTF Benefits Administration System (BAS) Project
 - b. Equipment Replacement
 - c. Enrollment Counts
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 June 30, 2024

D. Carrier Reports

1. CVS Caremark
2. SilverScript
3. Hawaii Dental Service (HDS)
4. Hawaii Medical Service Association (HMSA)
5. Humana

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6. Kaiser Health Foundation
7. Securian
8. Verdegard Hawaii (formerly known as HMA)
9. Vision Service Plan (VSP)

Mr. Mizuno requested that HMSA provide an update on the Blue Cross Blue Shield class action suit that settled for \$2.8 billion. Mr. Chris Letoto, HMSA, stated that the settlement primarily relates to their provider group. Segal is working with HMSA to determine any impact to EUTF.

IV. EXECUTIVE SESSION (continued)

The Board meeting recessed and moved into Executive Session at 10:24 a.m.

The regular meeting reconvened at 10:36 p.m.

Vice Chairperson Yu reported that during Executive Session, the Board:

- Approved the updated retiree rates effective January 1, 2025 for Kaiser Health Foundation
- Reviewed and discussed the September 24, 2024 minutes. Since there were no edits or objections by the Trustees, the minutes stand approved.

VII. NEXT MEETING

Tuesday, November 26, 2024, 9:00 a.m. – Administrative, Benefits and Investment Committee Reports

Trustee Osa Tui requested that Kaiser provide the types of advertisements/communication that is provided to members on Molokai and Lanai, as well as membership numbers for Molokai and Lanai, at next month's Benefits Committee Meeting.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:38 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/ Employee-Beneficiary Trustees-5)

APPROVED on November 26, 2024.

Documents Distributed:

1. Draft Board Minutes of September 24, 2024. (9 pages)
2. Hawaii EUTF – Ariel BAS Update, prepared by TELUS Health, dated October 22, 2024. (5 pages)
3. Memorandum to EUTF Board of Trustees from EUTF Permitted Interaction Group, regarding Permitted Interaction Group Recommendations, dated July 30, 2024. (5 pages)
4. Memorandum to EUTF Board of Trustees from Benefits Committee, regarding October 15, 2024 Benefits Committee Meeting, dated October 15, 2024, Redacted Version. (5 pages)
5. Memorandum to BOT EUTF from Segal Consulting, regarding Segal Reports – Compliance News, dated October 22, 2024. (4 pages)
6. Administrator's Monthly Report to the Board for September 14 – October 11, 2024, dated

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7. Memorandum to BOT from Member Services Branch Manager, regarding September – October 2024 Member Services Operations Report, dated October 11, 2024. (6 pages)
8. Memorandum to BOT from Information Systems Chief, regarding September 2024 – October 2024 Information Systems (IS) Operations Report, dated October 11, 2024. (9 pages)
9. Memorandum to Administrator from Eligibility Specialist regarding September – October 2024 Eligibility and Enrollment Report, dated October 11, 2024. (2 pages)
10. Memorandum to EUTF BOT from Program Specialist regarding September – October 2024 Health and Wellness Specialist Report, dated October 11, 2024. (22 pages)
11. Memorandum to BOT from EUTF Financial Management Officer regarding September 2024 – October 2024 Financial Services Branch (FSB) Report, dated October 11, 2024. (15 pages)
12. CVS/Caremark Monthly Carrier Report for September 2024 dated October 1, 2024. (2 pages)
13. SilverScript Monthly Carrier Report for September 2024 dated October 1, 2024. (2 pages)
14. HDS Monthly Carrier Report for September 2024 dated October 8, 2024. (2 pages)
15. HMSA Monthly Carrier Report for September 2024 dated October 8, 2024. (3 pages)
16. Humana Monthly Carrier Report for September 2024 dated October 8, 2024. (3 pages)
17. Kaiser Permanente Monthly Carrier Report for September 2024 dated October 9, 2024. (2 pages)
18. Securian Financial Monthly Carrier Report for September 2024 dated October 8, 2024. (1 page)
19. Verdegard Hawaii Monthly Carrier Report for September 2024 dated October 9, 2024. (2 pages)
20. VSP Vision Care Monthly Carrier Report for September 2024 dated October 6, 2024. (6 pages)