

1 HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
2 Minutes of the Benefits Committee Meeting
3 Monday, November 25, 2024
4

5 TRUSTEES PRESENT

6 Mr. Osa Tui, Chairperson Ms. Maureen Wakuzawa
7 Mr. Wesley Machida, Vice Chairperson (via video conference, excused at 10:49 a.m.) Mr. James Wataru
8 Ms. Jacqueline Ferguson-Miyamoto Mr. Robert Yu
9 Mr. Christian Fern

10
11 TRUSTEES ABSENT

12 Ms. Audrey Hidano Mr. Ryan Yamane
13 Ms. Sabrina Nasir

14
15 ATTORNEY

16 Mr. Michael Chambrella, Deputy Attorney General
17

18 EUTF STAFF

19 Mr. Derek Mizuno, Administrator Ms. Lara Nitta
20 Ms. Desiree Yamauchi Ms. Melissa Tom (via video conference)
21

22 CONSULTANTS (via video conference or teleconference, unless otherwise noted)

23 Mr. Tyler Brotz, Segal Consulting Ms. Mary Fedor, Segal Consulting
24 Ms. Shelley Chun, Segal Consulting Mr. Stephen Murphy, Segal Consulting (in person)
25

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

27 Mr. Blaise Aquino, HMSA Mr. Lawrence Lau, HDS
28 Ms. Tiffany Andrade, HMSA Ms. Joey Lee, HDS
29 Ms. Stacia Baek, HDS Mr. Chris Letoto, HMSA (in person)
30 Ms. Sandra Benevides, CVS Mr. Ezra Ng, HMSA
31 Mr. Ty Bowers, CVS Mr. Kurt Neuenfeld, CVS
32 Mr. Su Chai, Kaiser Mr. Clesson Pang, HDS
33 Ms. Kjirsten Elsner, Securian Mr. Dave Shiroma, Kaiser
34 Mr. Thomas England, Kaiser Ms. Jenny Smith, Humana
35 Ms. Samantha Furutani, CVS Mr. Troy Tomita, Kaiser
36 Dr. Rupal Gohil, HMSA Ms. Anne VanHaaren, CVS
37 Mr. Galen Haneda, HMSA Mr. Scott Yamaguchi, Kaiser
38 Ms. Monica Kim, VSP Mr. Isaac Yuen, HMSA
39 Ms. Meagan Kini-Ho, HMSA
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41 I. CALL TO ORDER

42 The meeting of the Benefits Committee of the Hawaii Employer-Union Health Benefits Trust
43 Fund (EUTF) was called to order at 9:00 a.m. by Trustee Osa Tui, Chairperson, in the EUTF
44 Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Monday, November 25,
45 2024.
46

47 II. REVIEW OF MINUTES – October 15, 2024

48 The Benefits Committee reviewed the draft minutes of October 15, 2024. Since there were no
49 edits or objections by the Trustees, the minutes stand approved.
50

51 III. NEW BUSINESS

52 A. Utilization Reports for the period ending June 30, 2024

1 1. HDS Active Utilization Report

2 Ms. Stacia Baek and Ms. Joey Lee, HDS, presented their utilization report for the
3 EUTF and HSTA VB active employees for the period ending June 30, 2024 noting the
4 following:

- 5 • Subscriber enrollment increased by approximately 1% as compared to a 1%
6 decrease in the previous year.
- 7 • The per member per month (PMPM) claims trend (1.0%) was slightly higher than
8 the HDS book-of-business (BOB).
- 9 • Actives had higher rates of oral exams and cleanings and lower rates of no visits
10 than the HDS BOB and national peers. Members with no visits incur higher costs
11 than those with prior visits.
- 12 • 1.8% of actives hit their \$2,000 plan maximum limit in PY 2024 which was
13 slightly higher than PY 2023 (1.6%).
- 14 • 97.3% of retirees visited an in-network provider resulting in \$23.0 million in
15 savings.

16
17 2. VSP Active Utilization Report

18 Ms. Monica Kim, VSP, presented their utilization report for the EUTF and HSTA VB
19 active employees for the period ending June 30, 2024 noting the following:

- 20 • Enrollment decreased by 0.4% which is slightly less than the PY 2023 decrease
21 (-1.7%).
- 22 • The PMPM claims trend (-0.5%) was significantly less than the VSP BOB.
- 23 • 27% of actives had an annual eye exam which exceeds the VSP local BOB but is
24 slightly under national BOB rates.
- 25 • 92% of actives visited an in-network provider resulting in more than \$4.9 million
26 in savings.

27
28 3. Kaiser Permanente Utilization Report

29 Mr. Su Chai, Mr. Thomas England, and Mr. Troy Tomita, Kaiser Permanente,
30 presented their annual claims report through June 30, 2024 for the active employee and
31 six-month report for the non-Medicare retiree plans noting the year-over-year PMPM
32 claims trends of 13.1% (higher than the BOB) and 13.1% (higher than the BOB),
33 respectively. Kaiser noted the following for the active plans:

- 34 • Inpatient PMPM increased by 20.1%, which was significantly higher than the
35 BOB, primarily driven by higher complexity admissions related to intensive
36 neonatal, kidney and sepsis care compared to PY 2023.
- 37 • Outpatient PMPM increased by 11.3%, which was higher than the BOB, primarily
38 due to an increase in utilization of outpatient visits, surgeries and radiology and
39 cost increase for outpatient lab.

40
41 4. HMSA Utilization Report

42 Mr. Chris Letoto and Mr. Isaac Yuen, HMSA, presented their annual claims report
43 through June 30, 2024 for the active employee and six-month report for their non-
44 Medicare and Medicare retiree plans noting the year-over-year PMPM claims trends of
45 12.6% (significantly higher than the BOB), 9.5% (significantly higher than the BOB)
46 and 3.0% (comparable to the BOB), respectively. HMSA noted the following for the
47 active plans:

- 1 • Inpatient PMPM increased by 17.3%, which was significantly higher than the
- 2 BOB, primarily driven by a high number of high cost claims (15 in current year
- 3 versus 9 in previous year) and more complex cases.
- 4 • Specialty drug PMPM increased by 44.7%, which was significantly higher than the
- 5 BOB, primarily due to allowing coverage under the medical specialty drug
- 6 administered in outpatient and physician office settings versus previous coverage
- 7 under the CVS prescription drug plan only. A preliminary review is showing
- 8 decreases in costs under the CVS prescription drug plans for certain specialty drugs
- 9 that are now being administered under the HMSA medical plans.

10

11 B. Proposed HMSA Medical Plan Changes

12 Mr. Letoto presented the proposed plan changes including the reasons and cost impact.

13 Mr. Letoto and Mr. Stephen Murphy, Segal, informed the Committee that national studies

14 have shown that traditional cardiac rehabilitation programs reduce costs and incidence of

15 future heart conditions.

16

17 MOTION was made and seconded to recommend to the Board:

- 18 1. Remove the developmental delay exclusion for physical, occupational, and speech
- 19 therapy under the EUTF and HSTA VB active and retiree plans effective July 1, 2025
- 20 and January 1, 2026, respectively
- 21 2. Remove the postpartum visit limitation (of one per birth) for maternity care under the
- 22 EUTF active HMSA HMO plan effective July 1, 2025
- 23 3. Add coverage for cardiac rehabilitation at the same benefit level as physical and
- 24 occupational therapy under the EUTF and HSTA VB active and retiree plans effective
- 25 July 1, 2025 and January 1, 2026, respectively, and
- 26 4. Remove the member cost share (up to the eligible charge) and the application of the
- 27 deductible for out-of-network immunizations under the HSTA VB active 90/10 plan
- 28 and EUTF and HSTA VB retiree plans effective July 1, 2025 and January 1, 2026,
- 29 respectively
- 30 (Yu/Ferguson-Miyamoto) The motion unanimously. (Employer Trustees-2/Employee-
- 31 Beneficiary Trustees-5).
- 32

33 C. Segal Annual Active Report

34 Mr. Murphy presented their analysis of the medical, dental and vision plans noting no

35 items that would require plan design changes.

36

37 IV. EXECUTIVE SESSION

38 MOTION was made and seconded to move into Executive Session as stated on the agenda at

39 10:26 a.m. (Ferguson-Miyamoto/Yu) The motion passed unanimously. (Employer

40 Trustees-2/Employee-Beneficiary Trustees-5)

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42 Trustee Wesley Machida was excused from the meeting at 10:49 a.m., during Executive

43 Session.

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45 The regular meeting reconvened at 11:32 a.m.

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47 Chairperson Tui reported that during Executive Session, the Committee:

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Benefits Committee Meeting

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- 1 • Approved a recommendation to the Board regarding RFP 24-001 and 20-003 Medical
- 2 Benefits and PBM Services,
- 3 • Approved a recommendation to the Board to exercise the final two-year extension of
- 4 the benefits and pharmacy benefits consulting contract.
- 5 • Reviewed and discussed the November 15, 2022 minutes. Since there were no edits or
- 6 objections by the Trustees, the minutes stand approved.
- 7

8 V. NEXT MEETING DATE – February 4, 2025

9 The next meeting agenda will include 2025 health and wellness communication plan, and
10 HMSA and Kaiser Permanente annual disease burden and HEDIS reports ending December
11 31, 2023.

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13 VI. ADJOURNMENT

14 MOTION was made and seconded to adjourn the meeting at 11:33 a.m. (Yu/Ferguson-
15 Miyamoto) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary
16 Trustees-5)

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18 Documents Distributed:

- 19 1. Draft Benefits Committee Minutes for October 15, 2024. (6 pages)
- 20 2. EUTF & HSTA VB Actives Utilization, prepared by Hawaii Dental Service, dated November
21 25, 2024, Redacted Version. (17 pages)
- 22 3. EUTF& HSTA VB Active Utilization, prepared by VSP Vision Care, Plan Year Ending June
23 30, 2024, Redacted Version. (16 pages)
- 24 4. EUTF, Cost and Utilization Summary, Actives and Non-Medicare Retirees, prepared by Kaiser
25 Permanente, dated November 25, 2024, Redacted Version. (31 pages)
- 26 5. EUTF Semi-Annual, Cost and Utilization Summary, prepared by HMSA, dated November 25,
27 2024, Redacted Version. (30 pages)
- 28 6. HMSA Plan Change Overview and Authorization Actives 2025 and Retirees 2026, prepared by
29 HMSA, Redacted Version. (7 pages)
- 30 7. Memorandum to BOT EUTF from HMSA, regarding HMSA Cardiac Rehabilitation Pilot
31 Program, dated November 15, 2024, Redacted Version. (1 page)
- 32 8. Memorandum to Benefits Committee EUTF from Segal Consulting, regarding Plan Design
33 Recommendations, dated November 25, 2024, Redacted Version. (4 pages)
- 34 9. EUTF, 2024 Annual Analysis Report, Active Employees, prepared by Segal, dated November
35 25, 2024, Redacted Version. (44 pages)