

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

TRUSTEES PRESENT

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

TRUSTEES ABSENT

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

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

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

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

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

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

Mr. Blaise Aquino, HMSA	Mr. Lawrence Lau, HDS
Ms. Tiffany Andrade, HMSA	Ms. Joey Lee, HDS
Ms. Stacia Baek, HDS	Mr. Chris Letoto, HMSA (in person)
Ms. Sandra Benevides, CVS	Mr. Ezra Ng, HMSA
Mr. Ty Bowers, CVS	Mr. Kurt Neuenfeld, CVS
Mr. Su Chai, Kaiser	Mr. Clesson Pang, HDS
Ms. Kjirsten Elsner, Securian	Mr. Dave Shiroma, Kaiser
Mr. Thomas England, Kaiser	Ms. Jenny Smith, Humana
Ms. Samantha Furutani, CVS	Mr. Troy Tomita, Kaiser
Dr. Rupal Gohil, HMSA	Ms. Anne VanHaaren, CVS
Mr. Galen Haneda, HMSA	Mr. Scott Yamaguchi, Kaiser
Ms. Monica Kim, VSP	Mr. Isaac Yuen, HMSA
Ms. Meagan Kini-Ho, HMSA	

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 Osa Tui, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Monday, November 25, 2024.

II. REVIEW OF MINUTES – October 15, 2024

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

III. NEW BUSINESS

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

1. HDS Active Utilization Report

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

- Subscriber enrollment increased by approximately 1% as compared to a 1% decrease in the previous year.
- The per member per month (PMPM) claims trend (1.0%) was slightly higher than the HDS book-of-business (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.
- 1.8% of actives hit their \$2,000 plan maximum limit in PY 2024 which was slightly higher than PY 2023 (1.6%).
- 97.3% of retirees visited an in-network provider resulting in \$23.0 million in savings.

2. VSP Active Utilization Report

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

- Enrollment decreased by 0.4% which is slightly less than the PY 2023 decrease (-1.7%).
- The PMPM claims trend (-0.5%) was significantly less than the VSP BOB.
- 27% 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 \$4.9 million in savings.

3. Kaiser Permanente Utilization Report

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

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

4. HMSA Utilization Report

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

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

B. Proposed HMSA Medical Plan Changes

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

Mr. Letoto and Mr. Stephen Murphy, Segal, informed the Committee that national studies have shown that traditional cardiac rehabilitation programs reduce costs and incidence of future heart conditions.

MOTION was made and seconded to recommend to the Board:

1. Remove the developmental delay exclusion for physical, occupational, and speech therapy under the EUTF and HSTA VB active and retiree plans effective July 1, 2025 and January 1, 2026, respectively
2. Remove the postpartum visit limitation (of one per birth) for maternity care under the EUTF active HMSA HMO plan effective July 1, 2025
3. Add coverage for cardiac rehabilitation at the same benefit level as physical and occupational therapy under the EUTF and HSTA VB active and retiree plans effective July 1, 2025 and January 1, 2026, respectively, and
4. Remove the member cost share (up to the eligible charge) and the application of the deductible for out-of-network immunizations under the HSTA VB active 90/10 plan and EUTF and HSTA VB retiree plans effective July 1, 2025 and January 1, 2026, respectively

(Yu/Ferguson-Miyamoto) The motion unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-5).

C. Segal Annual Active Report

Mr. Murphy presented their analysis of the medical, dental and vision plans noting no items that would require plan design changes.

IV. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session as stated on the agenda at 10:26 a.m. (Ferguson-Miyamoto/Yu) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-5)

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

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

Chairperson Tui reported that during Executive Session, the Committee:

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

V. NEXT MEETING DATE – February 4, 2025

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

VI. ADJOURNMENT

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

APPROVED on February 4, 2025.

Documents Distributed:

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