

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
November 18, 2003

TRUSTEES PRESENT

Mr. Mark Recktenwald, Chairperson
Mr. Gerald Machida
Mr. Will Miyake (Arrived 1:10 pm)

Mr. Dayton Nakanelua (Arrived 1:15 pm)
Ms. Kathleen Watanabe

TRUSTEES ABSENT: None

GUEST TRUSTEE:

Mr. John Radcliffe

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. Mark Fukuhara, Administrator
Mr. Lawrence Nishihara
Ms. Maria Quartero
Mr. Bert Nishihara
Mr. Gary Sanehira

Mr. John Garner, Consultant
Mr. Richard Eusen, Consultant
Mr. Zaven Kazazian, Consultant
Ms. Kathleen Shiroma
Ms. Donna Tonaki

OTHERS PRESENT

Ms. Lynette Arakawa, HDS
Ms. Sandra Benevides, Kaiser Permanente
Ms. Alana Deppe-Mariota, Kaiser Permanente
Ms. Monica Engle, VSP
Ms. Venus Gabayo, MBAH
Mr. Melvin Higa, MBAH
Mr. Rick Jackson, MDX Hawaii

Ms. Ruth Kim, HSRTA
Ms. Wanda Kimura, B&F
Mr. Norbert Mendes, HDS
Ms. Karen Muronaka, HSRTA
Ms. Gertrude Nitta, HGEA-R
Mr. Rod Tam, HMSA
Mr. George Yamamoto, HGEA-Retirees

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 1:00 p.m. by Chairperson Mark Recktenwald in Conference Room 1403, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Tuesday, November 18, 2003.

II. APPROVAL OF MINUTES: None

III. REPORTS

A. Administrator
Mr. Fukuhara reported:

Marsh Insurance Renewal Proposal

Discussion by Trustees and staff regarding the proposed insurance renewal and risk management. Trustee Miyake arrived at 1:10 p.m. and Trustee Nakanelua arrived at 1:15 p.m. By consensus of the Trustees, the matter will be presented to the Board.

B. Deputy Attorney General: None

C. Benefits Consultant

Mr. Garner introduced his colleagues Zaven Kazazian and Richard Eusen.

There being no objections, item V.C.3 Information Systems was taken out of order.

Overview by Ms. Shiroma on the information systems options. Discussion held by Trustees and staff on the web portal and maintenance and option 4 (cost sharing). By consensus of the Trustees, recommendation for full board to approve Option 4 subject to feedback from the staff on their meeting with the PeopleSoft representative which was scheduled for that evening.

IV. UNFINISHED BUSINESS

A. Update on Legislative Proposals

Confidential Attorney-Client Privileged Communication regarding the Attorney General's review of the EUTF's legislative proposal proposing indemnification from liability. Mr. Aburano stated that the Attorney General believes that the proposed bill is unnecessary. Discussion held by Trustees on the PEHF's assets and liabilities. Further discussion by the Trustees and Mr. Aburano on the close-out of the PEHF and the EUTF's functions. By consensus of the Trustees, recommendation for the Board to approve to proceed with the close-out of the PEHF after receiving a letter from the Attorney General clarifying that the EUTF board's performance of such a close-out would be for a proper purpose and would be subject to the immunity and indemnity protections under Section 26-35.5, HRS.

B. Potential Administrative Rule Changes

Trustee Watanabe stated that the potential administrative rules changes should be tabled because the voting procedures are laid out by statute and the Board has so far been able to resolve the issues that have come before it. By consensus of the Trustees, the potential administrative rules changes are tabled.

C. PC Hardware/Software Upgrade for Imaging System (see handout)

Discussion by Trustees and staff on the PC hardware/software upgrade for the imaging system. By consensus of the Trustees, recommendation for the Board to authorize the PC hardware/software upgrades for the imaging system.

V. NEW BUSINESS

A. Financial Report

Ms. Tonaki gave an overview on the Statement of Net Assets, Statement of Revenues and Expenses, and Employer/Employee Contributions and Enrollments (see handouts). Discussion held by the Trustees and consultant regarding the financial report. Request by public on information on the number of retirees and spouses who are eligible for receiving Medicare Part B reimbursements. The EUTF staff will provide the requested information.

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- B. Draft of FY2002-2003 Annual Report
The draft of the FY 2002-2003 annual report will be emailed to the Trustees and their response will be due by December 28, 2003.
- C. Information Systems Options (was taken out of order)
- D. Open Enrollment 2004
Mr. Nishihara gave an overview on the 2004 open enrollment (see handout). The cost for open enrollment should be approximately \$100,000 and the cost to solicit a firm to do publicity would be \$25,000. Mr. Fukuhara stated that the reference guides will be revised.

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

There was no communication from the public.

VII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

The next regular Administrative Committee meeting will be scheduled at a later date as needed.

VIII. ADJOURNMENT

Motion to adjourn. (Watanabe/Miyake)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 2:39 p.m.

Respectfully submitted,

/s/

Mark Recktenwald, Chairperson

APPROVED on July 20, 2004.

DOCUMENTS DISTRIBUTED:

1. PC Upgrades-Imaging Access to All Staff dated 9/15/03. (1 Page)
2. EUTF Statement of Net Assets for 9/30/2003 (Unaudited) dated 11/18/03. (1 Page)
3. EUTF Combined Statement of Revenues & Expenses-Budget & Actual Comparison ended 9/30/03 for 3 months (Unaudited) dated 11/18/03. (1 Page)
4. EUTF Employer/Employee Contributions and Enrollments dated 11/17/03. (1 Page)
5. Information Systems - Options dated 11/14/03. (3 Pages)
6. Open Enrollment 2004 dated 11/18/03. (1 Page)