

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
August 12, 2002

TRUSTEES PRESENT

Ms. Joan Lewis, Chairperson
Ms. Audrey Hidano, Vice-Chairperson
Mr. Neal Miyahira

GUEST TRUSTEES

Mr. Sam Callejo (Arrived 1:30 p.m.; Left 2:40 p.m.)

TRUSTEE ABSENT

Mr. Willard Miyake

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

HEUHBTF STAFF

Mr. H. Mark Fukuhara, Administrator
Ms. Lynette Fukunaga
Ms. Shirley Kawamoto

Mr. John Garner, Consultant
Ms. Gerti Reagan, Consultant

OTHERS PRESENT

Ms. Jean Aoki, HSTRA
Ms. Lynette Arakawa, HDS
Mr. George Butterfield, HSTA-Retired
Ms. Nani Crowell, HSTA MBC
Ms. Alana Deppe-Mariota, Kaiser Permanente
Ms. Monica Engle, VSP
Ms. Elaine Fujiwara, HDS
Mr. Tracy Matsumoto, Chiropran Hawaii
Mr. Norbert Mendes, HDS

Mr. Maurice Morita, HSTA
Ms. Sarah Moriyama, ORTA
Mr. Michael Moss, HMSA
Mr. Gordon Murakami, Royal State
Ms. Kären Muronaka, HSTA-Retired
Mr. Rod Tam, HMSA
Ms. Amy Yasuda, UOH
Ms. Lilia Yu-Lum, Royal State National

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 9:20 a.m. by Chairperson Joan Lewis in Conference Room 436, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on Monday, August 12, 2002.

II. APPROVAL OF MINUTES

The minutes from previous meetings were not ready for review.

III. UNFINISHED BUSINESS

A. Request for Proposal

1. Performance Standards and Guarantees

Garner Consulting went through their recommendations for performance standards, performance guarantees, and penalties for failing to meet the performance guarantees.

MOTION was made to recommend to the Board the proposed performance standards, performance guarantees, and penalties for failing to meet performance guarantees on fee-for-service (FFS), HMO, drug, dental, vision, and life. (Miyahira/Hidano)
Discussion: None.
Vote: Unanimously passed.

2. Evaluation Criteria

Garner Consulting presented their recommendations on evaluation criteria.

MOTION was made to recommend to the Board the proposed weighting of the evaluation criteria. (Miyahira/Hidano)
Discussion: Changes recommended to the evaluation weights for Vision Care were: 1) increase 5% weight to “quality assurance;” and 2) decrease 5% weight on “underwriting and funding arrangement.” For Life Insurance Benefit: 1) increase 5% weight on “rates;” 2) move 5% weight from “network stability and quality assessment” to “quality assurance;” and 3) decrease 5% weight on “underwriting and funding arrangement.”
Vote: Unanimously passed with recommended changes.

3. RFP document

The Committee continued their review of the RFP.

- a. The Deputy Attorney General went over his recommended changes to the RFP to clarify and improve the language of the document. His changes will be incorporated in a redline version of the draft RFP.
- b. In response to questions or concerns that were raised, the Deputy Attorney General was requested to look at specific items contained in the request for proposal document and draft new or revised language as necessary. Areas of concerns were:
 - 1) Section 2, RFP Schedule and Requirements
 - a) Item XII. Confidentiality, A. Trade Secrets/Proprietary Data - whether language was consistent with language contained in Section 5, Item III.D., on proprietary data and with any applicable statutes.
 - b) Item XVI. Compensation, C. Price Quotes – include methodology for determining rates for the two extension years.
 - c) Item XVI. Compensation, E. Acceptance and Final Payment – determine whether this section is compliant with the law.

RECESS: 11:05 a.m. to 11:20 a.m.

Review of the RFP continued.

- d) Item XVIII. Terms and Conditions, B. Subcontracting, Assigning and Re-Insurance – specify the need for subcontractors to meet minimum criteria.
- e) Item XVIII. Terms and Conditions, G. Independent Contractor Status and Responsibilities, Including Tax Responsibilities – determine whether the scope of services is applicable, include insurance as a separate item in the special provisions, specify language to provide the Trust Fund with the ability to inspect or audit financial records.
- f) Item XVIII. Terms and Conditions, H. Compliance with Laws – determine applicability of Section 103-55, HRS, and the relevance of Appendix C requirement.
- g) Item XVIII. Terms and Conditions, I. Indemnification and Defense – determine whether there are duplications.
- h) Item XVIII. Terms and Conditions, J. Notices – include a requirement to give notice when there are changes in the contractor's top management.
- i) Item XVIII. Terms and Conditions, M. Liquidated Damages – rephrase for clarity.
- j) Item XVIII. Terms and Conditions - a new subsection, P. Insurance, will be added.

RECESS: 12:05 p.m. to 1:10 p.m.

Review of the RFP continued.

2) Section 4, Administrative Requirements

Item I. Additional Contractor Requirements, E. Health Insurance Portability and Accountability Act (HIPAA), Confidentiality of Information, and Social Security Numbers, 1. HIPAA Requirements – questions were raised as to the Trust Fund's responsibilities with respect to claims and appeals.

3) Section 5, Proposal Application

Item III. Proposal Form, D. - insofar as it relates to proprietary information, ensure consistency with Section 2, XII.A., Trade Secrets/Proprietary Data, and with any applicable statutes.

RECESS: 2:40 p.m. to 2:55 p.m.

Review of the RFP continued.

c. Other items brought up during the course of review were:

1) Section 4, Administrative Requirements

Item I. Additional Contractor Requirements, D. Continuation of Coverage (COBRA) – HMSA was requested to provide the applicable portion of their contract language to the Deputy Attorney General.

2) Section 4, Administrative Requirements

Item I. Additional Contractor Requirements, E. Health Insurance Portability and Accountability Act (HIPAA), Confidentiality of Information, and Social Security Numbers – The Committee deferred this item to the Board for further discussion.

3) Appendices

Appendix A – add definition for subcontractor.

The Chair announced that a complete Section 3 would be ready by the end of the week and would be reviewed and discussed at the next Benefits Committee meeting on Tuesday, August 20, 2002, 9 a.m. Written comments on Sections 3 and 6 were requested prior to the meeting.

IV. FUTURE AGENDA ITEMS AND NEXT MEETING

The next meeting is scheduled for Monday, August 20, 2002, at 9 a.m. in Leiopapa a Kamehameha, State Office Tower, Conference Room 405.

V. ADJOURNMENT

MOTION to adjourn. (Hidano/Miyahira)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 3:33 p.m.

Respectfully submitted,

/s/

John Radcliffe, Chairperson

APPROVED on July 17, 2003.

DOCUMENTS DISTRIBUTED:

1. Recommended Performance Standards, Performance Guarantees – FFS, HMO, Drug, Dental, Vision, Life Insurance. (5 pages)
2. Section 6, Proposal Evaluation and Selection. (5 pages)
3. Section 3, Benefits to be Provided. (7 pages)