

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
July 17, 2003

TRUSTEES PRESENT

Mr. John Radcliffe, Chairperson
Ms. Audrey Hidano, Vice-Chairperson
Ms. Joan Lewis

TRUSTEE ABSENT

Mr. Willard Miyake

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. H. Mark Fukuhara, Administrator
Mr. Lawrence Nishihara
Ms. Maria Quartero

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

OTHERS PRESENT

Ms. Lynette Arakawa, HDS
Ms. Nani Crowell, HSTA MBC
Ms. Alana Deppe-Mariota, Kaiser Permanente
Ms. Monica Engle, VSP
Ms. Venus Gabayo, MBAH
Mr. Calvin L. Hutton, Ceridian
Ms. Lilia Y. Lum, RSG
Mr. Maurice Morita, HSTA

Ms. Kären Muronaka, HSTA-Retired
Ms. Celeste Nip, HFFA
Ms. Gertrude Nitta, HGEA, Retiree
J. Serikawa, C&C HNL
Mr. Phil Takaba, HMSA
Ms. Lori Taniguchi, Royal State
Mr. George Yamamoto, HGEA-Retirees
Ms. Amy Yasuda, UOH

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 8:55 a.m. by Chairperson John Radcliffe in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Thursday, July 17, 2003.

II. APPROVAL OF MINUTES

Motion was made to approve the minutes for July 23, 24, 31, 2002, August 6, 12, 20, 2002 meetings as submitted. (Lewis/Hidano)

Discussion: None.

Vote: Unanimously passed.

III. REPORTS

A. Administrator

Mr. Fukuhara reported:

1. Trustees Matayoshi and Yogi submitted their resignations and Governor Lingle appointed new Trustees Harold DeCosta, Office of Collective Bargaining, and Kathleen Watanabe, Director of the Department of Human Resources Development.
2. A special board meeting is scheduled for 9 a.m. on Wednesday, July 23, 2003, to discuss in Executive Session the recent O'Goreic lawsuit. The public session of

the special board meeting will be to determine the members of the TPA Committee and to schedule the first TPA Committee meeting. At the first TPA Committee meeting, it is expected that the TPA Committee will discuss what the Board hopes to achieve through a TPA, the evaluation of the costs of contracting with a TPA versus in-house administration, and other matters pertaining to the possible procurement of a TPA.

3. The Benefits Consultant and staff are working on answers to questions submitted by potential applicants for the TPA contract.

B. Deputy Attorney General: None

C. Benefits Consultant: None

IV. UNFINISHED BUSINESS: None

V. NEW BUSINESS

A. Dual coverage medical plan effective mid-year.

The Trustees and staff discussed the possibility of offering a scaled-down medical dual coverage plan mid-year and whether the public employers would agree to pay the specific dollar amounts set out in the current collective agreements for such a medical plan or would only pay 60% or some other percentage of the costs of such a medical plan. Copies of excerpts from some of the current collective bargaining agreements were given to the Trustees to review. After discussion, the consensus of the Trustees was for the Administrator to write a letter inviting Ted Hong, Director of the Office of Collective Bargaining, to attend the next Benefits Committee meeting to discuss if the State is willing to contribute the specific dollar amounts in the current collective bargaining agreements for a scaled-down medical dual coverage plan.

B. Unbundling medical and prescription drug plans

Discussion by Trustees, consultant, and staff on the unbundling of medical and prescription drug plans. Ms. Gerti Reagan explained that it is most unusual to offer medical and drug plans separately because that creates adverse selection and also creates risks for employees who have one plan without the other. The Administrator will provide PEHF counts for employees who enrolled only in prescription drug plans for the next Benefits Committee meeting.

C. Adding to Current Two Tiers of Rates

Mr. Fukuhara gave an overview on adding to the current two tiers of rates. Garner Consulting will provide information at the next Benefits Committee meeting that will show the impact on current family plan premiums if we added another tier to the current two tiers of rates.

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES
There were no communications from the public.

Trustee Hidano asked for update on open enrollment and staff. Mr. Fukuhara gave a brief update and explained that more information will be reported at the next Board meeting.

VII. FUTURE AGENDA ITEMS AND NEXT MEETING

The next regular committee meeting is scheduled for 8 a.m. on August 20, 2003, to discuss: address changes; unfinished business on the possibility of adding a dual coverage medical plan, unbundling of medical and prescription drug plans, and adding to the current two-tiers of rates; and other matters.

VIII. ADJOURNMENT

MOTION to adjourn. (Lewis/Hidano)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 9:35 a.m.

Respectfully submitted,

/s/

John Radcliffe, Chairperson

APPROVED on September 18, 2003.

DOCUMENTS DISTRIBUTED:

1. Minutes of July 23, 2002. (4 pages)
2. Minutes of July 24, 2002. (2 pages)
3. Minutes of July 31, 2002. (5 pages)
4. Minutes of August 6, 2002. (3 pages)
5. Minutes of August 12, 2002. (5 pages)
6. Minutes of August 20, 2002. (3 pages)
7. Approved Minutes of July 17, 2002. (4 pages)