

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
January 18, 2005

TRUSTEES PRESENT

Mr. John Radcliffe, Chairperson	Mr. Willard Miyake
Mr. Nelson Befitel	Mr. Stanley Shiraki
Ms. Joan Lewis	Ms. Katherine Thomason

TRUSTEES ABSENT: None

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. James Williams, Administrator	Mr. John Garner, Consultant
Mr. Lawrence Nishihara	Mr. Andy Keowen, Consultant
Ms. Maria Quartero	Ms. Kathleen Shiroma

OTHERS PRESENT

Ms. Lynette Arakawa, HDS	Mr. Michael Moss, HMSA
Ms. Monica Engle, VSP	Ms. Gertrude Nitta, HGEA-R
Ms. Venus Gabuyo, MBAH	Mr. Rod Tam, HMSA
Ms. Jeri Kakuno, MDX Hawaii	Mr. George Yamamoto, HGEA-Retirees

I. CALL TO ORDER

The meeting of the Benefits Committee was called to order at 1:25 p.m. by Chairperson John Radcliffe in Conference Room 1935, City Financial Tower, 201 Merchant Street, Honolulu, Hawaii, on Tuesday, January 18, 2005.

II. APPROVAL OF MINUTES

The Committee reviewed the draft minutes for the November 16, 2004 meeting.

By consensus of the Trustees, the Benefits Committee approved the minutes for the November 16, 2004 meeting as submitted.

III. REPORTS

A. Administrator: None

B. Deputy Attorney General

1. Status of Insurance Carrier Contract Extensions

Mr. Aburano reported that all documents to extend the contracts of the existing carriers have been prepared and sent out. HDS has signed the extension contract and several of the other carriers are in the process of clearing up some minor matters. The matter regarding MBAH will be discussed in Executive Session.

C. Benefits Consultant: None

IV. UNFINISHED BUSINESS: None

V. NEW BUSINESS

A. Annual Report of Consultant

Mr. Williams reported that the Administrative Committee recommended to the Board the following procedures for reports from the Benefits Consultant to the EUTF Board: (1) Consultant will prepare draft report and distribute to the Trustees for comment; (2) based on comments, the Consultant will revise the draft and make any changes that the Consultant deems appropriate; (3) the revised draft will be provided to the Board; (4) Board members may provide written comments to the Consultant to be attached to the report either in original or in summary form with any attachments that the authors feel appropriate to have reflected in the report along with the Consultant's response to the comments; and (5) the final report will be from Consultant to the Board with various views that might differ from the report as attachment(s). Mr. Garner gave an overview regarding the Annual Report. He stated that there are two purposes for the report: (1) would serve as a reference document; and (2) baseline data, in the future you will be able to compare one year to another and be able to see the trends and take appropriate action based on that. At this time, there are no action items or recommendations in this Annual Report. Mr. Garner explained the two different approaches he is taking regarding the vision and dental contracts that have retrospective premium agreements and would like the Board to notify him if they have a preference. Discussion held by Trustees and Consultant regarding the different ways data is submitted by carriers. Trustee Lewis inquired regarding the bargaining unit breakdown for Kaiser and HMSA. Mr. Garner stated that the bargaining unit breakdown was provided by Kaiser for the 1st quarter of the current plan year and that Kaiser was unable to provide data for the 1st plan year, but will be able to provide data in the future plan years. Royal State has not submitted any data. Further discussion held by Trustees and Consultant regarding carriers submitting information by bargaining unit. Trustees would like carriers to submit information by bargaining unit same as the format submitted by HDS on page 14 of the Annual Report. Mr. Garner will request that carriers submit data by bargaining unit for this report and include Aetna which was not requested to submit data. By consensus of the Trustees, the Consultant will include all information received in time for the February Board meeting in the Annual Report and an addendum will be submitted for information received after the Board meeting so the Annual Report is not held up. The report should be consistent in format, note continuation pages, separate table for prescription drugs, and correct narrative for table 4. Discussion held by Trustees, staff, and Consultant regarding the number of members not enrolled in the EUTF and that information in this report is generally the baseline.

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 Committee meeting will be scheduled at the Board meeting.

VIII. EXECUTIVE SESSION (Items for Discussion and Action)

MOTION was made at 4:00 p.m., to go into Executive Session to: (a) consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities regarding contract extensions with insurance carriers and any other item of business on the Benefits Committee's agenda; and to deliberate concerning the authority of persons designated by the board to negotiate extension of carrier contracts. (Thomason/Miyake) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

MOTION was made to move out of Executive Session. (Shiraki/Thomason) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

Executive Session adjourned at 4:15 p.m.

Report from Executive Session:

1. Insurance Carrier Contract Extension

The Benefits Committee recommends that the Board approve MBAH's request to delete paragraph 4 of attachment S3.

IX. ADJOURNMENT

By consensus of the Trustees, the Benefits Committee meeting adjourned at 4:15 p.m.

Respectfully submitted,

/s/

John Radcliffe, Chairperson

APPROVED on March 22, 2005.

DOCUMENTS DISTRIBUTED:

1. Draft Minutes of 11/18/04. (5 pages)