

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Thursday, September 10, 2002

TRUSTEES PRESENT

Mr. Sam Callejo, Chairperson

Ms. Audrey Hidano, Vice-Chairperson

Mr. James Williams, Secretary-Treasurer

Ms. Joan Lewis

Mr. Gerald Machida

Ms. Kathryn Matayoshi

Mr. Neal Miyahira

TRUSTEES ABSENT

Mr. Willard Miyake

Mr. Clifford T. Uwaine (Resigned effective September 6, 2002)

Mr. Davis Yogi

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

HEUHBTF STAFF

Mr. H. Mark Fukuhara, Administrator

Ms. Lynette Fukunaga

Ms. Shirley Kawamoto

Ms. Maria Quartero

Ms. Gerti Reagan, Consultant

Mr. Andrew Keowen, Consultant

Ms. Karen Tom

OTHERS PRESENT

Ms. Jean Aoki, HSRTA

Ms. Nani Crowell, HSTA MBC

Ms. Alana Deppe-Mariota, Kaiser Permanente

Ms. Monica Engle, VSP

Ms. Ruth Kim, HSRTA

Mr. Norbert Mendes, HDS

Mr. Maurice Morita, HSTA

Ms. Karen Muronaka, HSRTA

Ms. Celeste Nip, HFFA

Ms. Rod Tam, HMSA

Mr. George Yamamoto, HGEA-Retirees

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order when there was a quorum at 4:05 p.m. by Trustee Sam Callejo, Chairperson, in Conference Room 416, State Capitol, 415 South Beretania Street, Honolulu, Hawaii, on Tuesday, September 10, 2002.

ANNOUNCEMENTS

The Chair noted that Trustees Miyake and Yogi were not in attendance and that Trustee Uwaine had tendered his resignation from the Board effective Friday, 9/6/02.

II. APPROVAL OF MINUTES

None.

### III. COMMITTEE REPORTS

#### A. ADMINISTRATIVE COMMITTEE:

Trustee Matayoshi reported that seven presentations by Third Party Administrators are scheduled for next week.

#### B. RULES COMMITTEE:

Chair Callejo noted that Trustee Yogi was not in attendance to report on behalf of the Rules Committee. He also noted that there had been no Rules Committee meeting on Monday, September 9, 2002, due to a lack of quorum.

Mr. Aburano reported that there had been insufficient time to post a cancellation notice for the Rules Committee meeting so an informational session was held for the members of the public who showed up for the meeting. At the informational session, Chair Yogi reviewed the changes that had been made to the proposed rules as a result of consultation comments that had been submitted to the Rules Committee and that had been discussed at previous Rules Committee meetings. Additional comments were taken from members of the public present. The next meeting is tentatively scheduled for September 20, 2002.

#### C. BENEFITS COMMITTEE

##### 1. Approval of proposed amendment to page 35 of Request for Proposal No. 03-001

Ms. Reagan explained the proposed amendment to the RFP. (see handout) She noted that the handout should be corrected to read Amendment to Page 35 of Request for Proposals No. 03-001 and the capitalized words are the added text to the RFP which clarifies that any carrier may submit a plan design.

MOTION was made to approve Amendment to Page 35 of Request for Proposal No. 03-001. (Williams/Lewis) The motion unanimously passed. (Employer trustees - 4/Employees-Beneficiary trustees - 3)

### IV. OTHER REPORTS

#### A. ADMINISTRATOR

- Mr. Fukuhara noted that Trustee Uwaine's letter of resignation, effective September 6, 2002, and the letter from Mr. Charles Khim informing the Board that he no longer represents union board members, effective September 6, 2002, were in the Trustees' packets.

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

September 10, 2002 Minutes

PAGE 3

- Mr. Fukuhara reported that staff is making arrangements for the Third Party Administrator presentations on September 16, 17, 18, 2002, with the majority of the presentations scheduled for Monday and Tuesday. Seven of the twelve vendors responded positively; staff will follow-up with those who did not respond to confirm that they will not do presentations. Several vendors will present via a web cast. The location for one meeting will be changed to the State Office Tower, Room 1400, to support the Internet requirements. Updated information will be sent out.
- Mr. Fukuhara reported that a copy of the Transition Report for the new administration was submitted to Budget and Finance and a copy is in the Trustees' packets.
- Mr. Fukuhara reported that Larry Nishihara was appointed as the Assistant Administrator and will start on September 16, 2002. Interviews were held for the Communication and Regulatory Specialist and a selection will be made shortly.

B. DEPUTY ATTORNEY GENERAL: None.

C. BENEFITS CONSULTANT

Mr. Keowen reported on UPW's concern regarding the demographic information used in determining the tier-rate schedule. He reported that there was no significant change in the demographic information provided by the HFIMS and the information that had been used by the State Auditor in its report.

V. UNFINISHED BUSINESS:

1. Employee Organization Benefit Plans

Trustee Williams reported that he would not make the motion that he had distributed last week. He had a discussion with Trustee Miyake who felt that the motion would be fruitless based upon a conversation with another Trustee.

VI. NEW BUSINESS

None.

VII. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

There was no communication from the public.

Trustee Williams submitted and read a letter that accompanied his resignation as a Trustee, effective September 11, 2002. Chair Callejo commented on behalf of the Board of Trustees

that they appreciated Trustee Williams' hard work and professionalism in moving the Board to this point and wished him well in the future.

#### VIII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

The scheduled meetings are:

- Board meeting – Tuesday, September 24, 2002, at 9:00 a.m., Leiopapa A Kamehameha Bldg (SOT), Conference Room 405.
- Administrative Committee – Friday, September 15, 2002, at 9:00 a.m., Department of Business Economic Development and Tourism, Conference Room 436.
- Third Party Administrators Presentations – September 16, 17, 18, 2002, at 8:00 a.m., No. 1 Capitol District Bldg., Conference Room 410. The location for the web cast presentations is still to be determined.
- Rules Committee – Friday, September 20, 2002, 9:00 a.m., Leiopapa A Kamehameha (SOT), Conference Room 405.

#### IX. ADJOURNMENT

MOTION was made to adjourn the regular meeting. (Williams/Matayoshi) The motion was passed unanimously. (Employer trustees-4/Employee-Beneficiary trustees-3)

The meeting was adjourned at 4:25 p.m.

Respectfully submitted,

/s/

Joan K. Lewis, Secretary-Treasurer

APPROVED on March 18, 2003

#### Documents Distributed:

1. Faxed letter from Trustee Clifford Uwaine, dated September 6, 2002. (1 page)
2. Letter from Mr. Charles K. Y. Khim, dated September 5, 2002, regarding Representation of Certain Employee EUTF Board of Trustees. (1 page)
3. 2002 Transition Report, HEUHBTF, Overview, prepared August 30, 2002. (15 pages)
4. Trust Fund Tiering vs. State Auditor's Report. (1 page)
5. Amendment to Page 35 of RFP No. 03-001. (1 page)