

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Wednesday, February 5, 2003

TRUSTEES PRESENT

Mr. Bob Awana	Mr. Neal Miyahira
Ms. Joan Lewis, Secretary-Treasurer (Arrived 9:13 am)	Mr. Will Miyake (Arrived 9:07 am)
Ms. Audrey Hidano, Vice-Chairperson	Mr. Dayton Nakanelua
Mr. Gerald Machida	Mr. John Radcliffe
Ms. Kathryn Matayoshi (Arrived 9:48 am)	Mr. Davis Yogi (Arrived 9:15 am)

TRUSTEES ABSENT: None

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. H. Mark Fukuhara, Administrator	Mr. John Garner, Consultant
Ms. Maria Quartero	Ms. Donna Tonaki
Ms. Kathleen Shiroma	
Mr. Leslie Ozawa	

OTHERS PRESENT

Ms. Jean Aoki, HSRTA	Ms. Doreen Kuroda, DHRD
Ms. Lynette Arakawa, HDS	Mr. Maurice Morita, HSTA
Ms. Nani Crowell, HSTA MBC	Mr. Michael Moss, HMSA
Ms. Alana Deppe-Mariota, Kaiser Permanente	Ms. Jan Munemitsu, DOH
Ms. Monica Engle, VSP	Ms. Karen Muronaka, HSRTA
Ms. Elaine Fujiwara, HDS	Mr. Rod Tam, HMSA
Mr. Melvin Higa	Ms. Lori Taniguchi, Royal Insurance
Mr. Charles Khim, Public	Mr. George Yamamoto, HGEA-Retirees
Ms. Ruth Kim, HSRTA	

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order when there was a quorum at 8:15 a.m. by Trustee Audrey Hidano, Vice-Chairperson, in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Wednesday, February 5, 2003.

Vice-Chairperson Hidano introduced and welcomed new Trustees Awana, Nakanelua, and Radcliffe.

II. Orientation for New Trustees (see handouts)

Orientation briefing by Deputy Attorney General Brian Aburano and Consultant John Garner.

Trustee Miyaki arrives at 9:07 a.m. Trustee Lewis arrives at 9:13 am. Trustee Yogi arrives at 9:15 a.m. Trustee Matayoshi arrives at 9:48 a.m.

Orientation briefing ends at 10:10 a.m.

Recess 10:10 a.m. to 10:20 a.m.

### III. APPROVAL OF MINUTES

Review of August 20, 2002 and August 26, 2002 minutes.

MOTION made to approve minutes of August 20, 2002 and August 26, 2002. (Lewis/Matayoshi) The motion passes unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

### IV. COMMITTEE REPORTS

#### A. ADMINISTRATIVE COMMITTEE:

Trustee Matayoshi reported:

##### 1. Legislative Proposals/Amendments to Chapter 87A.

Administrative Committee recommends not introducing any bills because the deadline has passed.

Trustee Nakanelua returns at 10:25 a.m.

A draft letter to the legislature was reviewed. After discussion and consensus, the Trustees decided not to send a letter to the legislature.

MOTION made to authorize the Administrator to speak on behalf of the Board and to attend hearings when requested. (Awana/Miyake) After discussion, the motion passes unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

##### 2. HFIMS Configuration

The Administrative Committee recommends to the Board to award a contract to hire eWorld for certain professional services.

MOTION made for approval of contract to hire eWorld for professional services. (Matayoshi/Awana) After discussion, the motion failed. Employer trustees-5 Yes-Awana, Hidano, Matayoshi, Miyahira, Yogi/Employee-Beneficiary trustees-1 Yes-Machida, 4 Oppose-Lewis, Miyake, Nakanelua, Radcliffe)

MOTION made to postpone decision on awarding contractor for professional services relating to the HFIMS system to the next Board meeting on February 11, 2003. (Radcliffe/Miyake) The motion failed. Employer trustees-5 Oppose-Awana, Hidano,

Matayoshi, Miyahira, Yogi/Employee-Beneficiary trustees-5 Yes-Lewis, Machida, Miyake, Nakanelua, Radcliffe)

After further discussion, it was agreed that the Administrator would provide further information and materials on the proposed contract relating to the HFIMS system to any Trustee that requests such information and materials prior to the next Board meeting, and that the matter would be taken up again at that time.

Recess 12:00 p.m. to 12:05 p.m.

B. RULES COMMITTEE:

1. Review and approval of proposed final draft of Administrative Rules, dated 10/3/02 (see handout).

Chairperson Yogi reported that the Rules Committee recommends to the Board to adopt Section 2.01 of Administrative Rules. After discussion by the Trustees, staff, and members of the public, including certain concerns raised by Mr. Charles Khim and Melvin Higa about the noticing of the proposed action and public input, Trustee Yogi withdrew the motion. The Administrator will post rule making on the agenda for the next Board meeting.

C. BENEFITS COMMITTEE: Deferred to next meeting.

1. RFP issues and related topics
  - a. Trustees' review of questions and answers to RFP No. 03-001
  - b. List of requests for changes to RFP (10/17/02)
  - c. Letter from Trustee Will Miyake
  - d. Draft letter to Mel Higa
  - e. Letters to carriers regarding RFP No. 03-001
  - f. Letter and information from HMA Inc and response letter

MOTION made to take agenda item VII. New Business, item A, out of order. (Matayoshi/Miyahira)  
The motion passes unanimously. Employer Trustees-5/Employee-Beneficiary Trustees-5)

V. OTHER REPORTS

A. ADMINISTRATOR: Deferred to next meeting.

1. FY03 Expenditure Report as of 11/30/02
2. EUTF/PEHF Transition
3. Communication Plan
4. Annual Report
  - a) Letters from Trustee Miyake and response letter

B. DEPUTY ATTORNEY GENERAL: Deferred to next meeting.

1. Impact if collective bargaining is not completed by June 30, 2003
2. Part-time, temporary, seasonal or casual employees

C. BENEFITS CONSULTANT: None

VI. UNFINISHED BUSINESS: Deferred to next meeting.

A. Average Family Size – Comparison with State Auditor Report

B. Draft letter to Insurance Commissioner re: Mutual Benefit Society

VII. NEW BUSINESS

A. Benefits Consultant Recommendations Regarding Plan Designs (see handout)

Presentation by Mr. Garner on recommendations regarding plan designs. Discussion held by trustees and consultant on clarification of plan designs. Further discussion by trustees on PPO plan, HMO, and vision. Comments by Mr. Melvin Higa that it seems active subsidize retirees, the plan premiums may not meet requirements of affordability, and the name “working spouse” should be changed. Mr. Charles Khim commented that excluding regular part-time employees is illegal. No action was taken by the Trustees.

B. Election of New Chair or Interim Chair; election or appointment of other offices or committee positions resulting from resignation of Trustee Callejo or appointment of new Trustees: Deferred to next meeting.

VIII. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES: None

IX. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

Board meetings are scheduled for February 11, 19, 26, 2003.

X. ADJOURNMENT

MOTION was made to adjourn the regular meeting. (Matayoshi/Awana) The motion was passed unanimously. (Employer trustees-5/Employee-Beneficiary trustees-5)

The meeting was adjourned at 12:59 p.m.

Respectfully submitted,

/s/

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Bob Awana, Secretary-Treasurer

APPROVED on September 18, 2003.

Documents Distributed:

1. Orientation to State Code of Ethics dated 2/5/03. (3 Pages)
2. Orientation to Public Meetings Law dated 2/5/03. (3 Pages)
3. EUTF Orientation Briefing dated 2/5/03. (6 Pages)
4. 2003 HEUHBTF Bill Status dated 2/4/03 (7 Pages)
5. Administrative Rules-Proposed Final Draft w/Additional Revisions version 10/3/92 (25 Pages)
6. Letter from Tom Ramsey dated 10/16/02. (1 Page)
7. Letter from Eldon L. Wegner dated 10/16/02. (1 Page)
8. Letter from Patricia Hamamoto dated 10/17/02. (1 Page)
9. Letter from Melvin Higa dated October 15, 2002 regarding rules. (5 pages)
10. Letter from Melvin Higa dated October 18, 2002 regarding rules. (5 pages)
11. Letter from Melvin Higa dated October 23, 2002 regarding rules. (1 page)
12. Letter from Melvin Higa dated October 23, 2002 regarding rules. (2 pages)
13. Letter from Melvin Higa dated October 25, 2002 regarding rules. (9 pages)
14. Letter from Charles Khim dated October 25, 2002 regarding rules. (5 pages)
15. Letter from Charles Khim dated February 4, 2002 regarding rules. (4 pages)
16. Letter from Laborers Local 368 dated November 1, 2002. (6 Pages)
18. Response Letter from Chief of Staff to Laborers dated November 15, 2002. (1 Page)
19. Letter from Solomon W.H. Wong dated 12/18/02. (4 Pages)
20. Response Letter from Governor Lingle to Solomon Wong dated 1/6/03. (1 Page)
21. List of Requests for Changes to RFP dated 10/17/02. (7 Pages)
22. Letter from Trustee Miyake dated 11/20/03. (8 Pages)
23. Letter and Information from HMA Inc (11 Pages)
24. Response Letter from Administrator to HMA Inc. (1 Page)
25. HEUHBTF FY 03 Expenditures dated 2/5/03. (1 Page)
26. EUTF Office Space dated 2/5/03. (2 Page)
27. EUTF Communication Plan dated 11/4/02. (4 Pages)
28. EUTF Annual Report FY01-02 dated 12/2002. (5 Pages)
29. Letter from Trustee Miyake dated 12/18/02 regarding Annual Report. (2 Pages)
30. Response from Administrator to Trustee Miyake dated 12/24/03. (1 Page)

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31. Letter from Trustee Miyake dated 12/26/03 regarding Annual Report. (1 Page)
32. Garner Bulletin for 11/2002. (2 Pages)
33. Garner Bulletin for 12/2002. (2 Pages)
34. Garner Bulletin for 1/2003. (2 Pages)
35. Demographic Data Family Size Comparisons dated 10/28/02. (1 Page)
36. Recommendations Regarding Plan Designs dated 10/28/02. (7 Pages)
37. Resignation Letter from Sam Callejo dated 12/2/02. (1 Page)
38. Appointment Letter to Bob Awana dated 12/13/02. (1 Page)
39. Appointment Letter to Dayton Nakanelua dated 1/24/03. (1 Page)
40. Appointment Letter to John Radcliffe dated 1/24/03. (1 Page)
41. Approved Board Minutes for August 6, 2002. (9 Pages)