

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Wednesday, July 9, 2003

TRUSTEES PRESENT

Mr. Willard Miyake, Chairperson	Ms. Kathryn Matayoshi (Arrived 10:30 am)
Ms. Joan Lewis, Vice-Chairperson (Arrived 9:22 am)	Mr. Dayton Nakanelua
Mr. Bob Awana, Secretary-Treasurer	Mr. John Radcliffe (Arrived 9:12 am)
Ms. Audrey Hidano	Mr. Mark Recktenwald
Mr. Gerald Machida	Mr. Davis Yogi

TRUSTEES ABSENT: None

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

HEUHBTF STAFF

Mr. H. Mark Fukuhara, Administrator	Mr. John Garner, Consultant
Mr. Lawrence Nishihara	Ms. Gerti Reagan, Consultant
Ms. Maria Quartero	Ms. Kathleen Shiroma
Mr. Gary Sanehira	Ms. Donna Tonaki

OTHERS PRESENT

Ms. Lynette Arakawa, HDS	Mr. Maurice Morita, HSTA
Ms. Alana Deppe-Mariota, Kaiser Permanente	Mr. Gordon Murakami, Royal State
Ms. Monica Engle, VSP	Ms. Karen Muronaka, HSRTA
Ms. Elaine Fujiwara, HDS	Ms. Gertrude Nitta, HGEA-R
Ms. Venus Gabuyo, MBAH	Mr. Phil Takaba, HMSA
Ms. Grace Ing, HSTA-R	Ms. Lori Taniguchi, Royal Insurance
Mr. Tracy Matsumoto, ChiroPlan	Mr. George Yamamoto, HGEA-Retirees

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:05 a.m. by Trustee Willard Miyake, Chairperson, in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Wednesday, July 9, 2003.

Trustee Hidano was acknowledged and thanked for serving as Vice-chairperson and Acting Chairperson. Chair Miyake introduced and welcomed new Trustee Mark Recktenwald who replaced Trustee Miyahira. On behalf of the Governor, Trustee Awana thanked Trustees Hidano and Miyahira for being the pioneers on the Board.

II. APPROVAL OF MINUTES: None

III. COMMITTEE REPORTS

A. ADMINISTRATIVE COMMITTEE: None

B. BENEFITS COMMITTEE

Chair Lewis reported that the next Benefits Committee meeting is scheduled for July 17, 2003.

IV. OTHER REPORTS

A. ADMINISTRATOR

1. EUTF/PEHF Transition

Overview by Mr. Fukuhara regarding the EUTF/PEHF transition. [Trustee Radcliffe arrived at 9:12 a.m.]

2. Open Enrollment Update

Overview by Mr. Fukuhara regarding the open enrollment update. [Trustee Lewis arrived at 9:22 a.m.] Discussion held by Trustees and staff regarding certificates and carrier files. Further Discussion held by Trustees and staff regarding incorrect files and relaying expectations of the Board to the EUTF staff.

MOTION was made for the Board to continue to allow the Administrator to make decisions until August 31, 2003 for processing of open enrollment files not updated. (Radcliffe/Machida) After discussion, the motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

3. TPA RFP Update

Overview by Mr. Fukuhara regarding the TPA RFP. Letter received from Ms. Ruth Kim regarding concerns about the TPA RFP and the EUTF management staff. The Administrator will draft a response to Ms. Kim and will clearly explain the expectations of the Board for a TPA. [Trustee Matayoshi arrived at 10:10 a.m.] Discussion held by Trustees regarding the concerns expressed in Ms. Kim's letter. The Trustees clarified that issuing an RFP for a TPA was not intended by the Board to indicate any lack of faith in the EUTF management staff. Chair Miyake stated that the Board is just exploring the options of a TPA.

4. Carrier Reports

a. HDS

Written report submitted.

b. HMSA

Written report submitted.

Discussion held by Trustees and staff regarding the reports.

Recess at 10:22 a.m. and Reconvened at 10:30 a.m.

B. DEPUTY ATTORNEY GENERAL

1. Resignation of Trustee Miyahira

Mr. Aburano reported, as a result of former Trustee Miyahira deciding to

resign from the Board, the lawsuit against him is being dismissed. The bill from the plaintiff's attorney is going to be \$5,000 or less.

2. O'Gorek Lawsuit

Mr. Aburano reported that a lawsuit was filed last Monday by three individual PEHF beneficiaries and HGEA claiming that the rate credits and reimbursements earned by the PEHF were to be used to improve health plans for PEHF beneficiaries or to reduce their contributions and were not used properly for those purposes, and that the PEHF's experience-rated plans were manipulated so higher rates were charged which produced excessive rate credits and reimbursement sitting in the PEHF reserve. A TRO was filed and the court granted the TRO to a certain extent. The court was not willing to restrain the PEHF from transferring any monies to the EUTF but did enjoin the EUTF from spending any money until a further hearing that is scheduled for next Monday. Also named as defendants are many of the insurance carriers of the PEHF. Further discussion on this item will occur in today's Executive Session.

C. BENEFITS CONSULTANT

1. Garner Bulletin for June 2003

Overview by Mr. Garner regarding Garner bulletin (see bulletin) that describes new proposed COBRA regulations. No action needs to be taken until the COBRA regulations are finalized. However, the Board could modify the EUTF materials now to be in compliance with the new model notices, recognizing that the notices may need to be changed when the COBRA regulations are finalized. The proposed effective date for compliance is January 1, 2004. Mr. Garner recommended that the Board wait until the COBRA regulations are actually finalized.

2. Benefits Services Corporation, Subsidiary of HMSA

Mr. Garner reported that they have been approached by Benefits Services Corporation to do some consulting services, assisting with non-discrimination testing. Mr. Garner stated it would not overlap with the EUTF. Discussion held by Trustees regarding a conflict of interest. Mr. Aburano will review the RFP and Garner's contract and advise the Board at the next Board meeting as to whether there is any conflict.

V. UNFINISHED BUSINESS: None

VI. NEW BUSINESS

A. Rules – discussion of specific situations

Mr. Yogi reported that letters were sent to Mr. Higa and Mr. Khim addressing their concerns regarding the Administrative Rules.

Overview by Mr. Fukuhara regarding concerns about effective dates for new

hires, new enrollments, and terminations. The EUTF staff will draft the proposed rule change for Mr. Aburano to review.

B. HIPAA Training and Related Matters

Overview by Mr. Fukuhara regarding HIPAA compliance and training. Mr. Garner stated that there are a number of things that HIPAA requires and one of these items is HIPAA policies and procedures. Segal prepared some HIPAA policies and procedures for the PEHF and Mr. Aburano has also been working on a draft set of HIPAA policies and procedures. Mr. Garner stated that the EUTF can keep the current PEHF policies and procedures, review Mr. Aburano's draft, or look at both and take the best of either one. Garner Consulting's staff did review the PEHF HIPAA policies and procedures and they appear to comply with all the minimum requirements. Mr. Garner stated that training needs to occur based on the EUTF HIPAA policies and procedures. The EUTF staff will make a recommendation at the next Board meeting.

VII. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

Mr. Yamamoto inquired if Congress passed the law for prescription drug coverage will the EUTF provide an analysis. Mr. Garner stated that the proposed effective date is 2006 and he will keep the Board informed.

VIII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

By consensus of the Trustees, the Board meetings will be held on the third Wednesday of each month at 9:00 a.m.

The next board meeting is scheduled for Wednesday, August 20, 2003 at 9:00 a.m.

IX. EXECUTIVE SESSION

MOTION was made for the Board to move into Executive Session as stated on the agenda at 11:13 a.m. (Yogi/Matayoshi) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

MOTION was made for the Board to move out of Executive Session. (Yogi/Machida) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

The Executive Session adjourned at 11:31 a.m.

X. ADJOURNMENT

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

The meeting was adjourned at 11:31 a.m.

Respectfully submitted,

/s/

Katherine Thomason, Secretary-Treasurer

APPROVED on November 30, 2005.

Documents Distributed:

1. Response to HSRTA Regarding TPA Concerns dated 6/17/03. (1 page)
2. Garner Bulletin - June 2003. (2 pages)
3. The High Road - June 2003. (2 pages)
4. OpenLine - June 2003 (2 pages)
5. Resignation Letter from Governor Regarding Trustee Miyahira dated 7/7/03. (2 pages)
6. Appointment Letter of Trustee Recktenwald from Governor dated 7/7/03. (1 page)
7. Letter from HSRTA, Ruth Kim, Regarding TPA Concerns dated 7/1/03.