

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Monday, January 27, 2003

TRUSTEES PRESENT

Ms. Audrey Hidano, Vice-Chairperson	Ms. Kathryn Matayoshi (Left – 12:05 pm)
Ms. Joan Lewis, Secretary-Treasurer	Mr. Neal Miyahira
Mr. Bob Awana	Mr. Will Miyake
Mr. Gerald Machida (Arrived – 9:10 am)	Mr. John Radcliffe (Left – 10:27 am)

TRUSTEES ABSENT

Mr. Dayton Nakanelua
Mr. Davis Yogi

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

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

PUBLIC ATTENDANCE

Ms. Jean Aoki, HSRTA	Mr. Maurice Morita, HSTA
Ms. Lynette Arakawa, HDS	Ms. Sarah Moriyama, ORTA
Ms. Nani Crowell, HSTA-MBC	Mr. Michael Moss, HMSA
Mr. Alana Deppe-Mariota, Kaiser	Ms. Jan Munemitsu, DOH
Ms. Monica Engle, VSP	Ms. Karen Muronaka, HSRTA
Ms. Elaine Fujiwara, HDS	Ms. Celeste Nip, HFFA
Mr. Melvin Higa, Public	J. Serikawa, C&C, Honolulu
Ms. Grace Ing, HSTA-R	Mr. Rod Tam, HMSA
Mr. Charles Khim, Public	Ms. Lori Taniguchi, Royal State Group
Mr. James Kuroiwa, Laborer's Local 368	Ms. Jennifer Tobin, C&C-Human Resources
Mr. Norbert Mendes, HDS	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 9:08 a.m. by Trustee Audrey Hidano, Vice-Chairperson, in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Monday, January 27, 2003.

The Vice-Chairperson introduced new Trustees Bob Awana and John Radcliffe.

By consensus of the board, Item VI.B. Election of New Chair or Interim Chair; election or appointment of other offices or committee positions resulting from resignation of Trustee Callejo, was taken out of order.

MOTION was made to nominate Trustee Awana as board chairperson. (Matayoshi/Radcliffe) After discussion and a unanimous decision by the Trustees, the motion was withdrawn.

Trustee Machida arrived at 9:10 a.m.

MOTION was made to postpone the rest of the board meeting until February 5, 2003. (Radcliffe/Miyake) After discussion, the motion failed. (Employer trustees-4 Oppose-Awana, Hidano, Matayoshi, Miyahira/Employee-Beneficiary trustees-4 Yes-Lewis, Machida, Miyake, Radcliffe)

II. APPROVAL OF MINUTES

MOTION was made to approve minutes for August 20, 2003 and August 26, 2003. (Lewis/Matayoshi) After discussion, the motion failed. (Employer trustees-4 Yes-Awana, Hidano, Matayoshi, Miyahira/Employee-Beneficiary trustees-2 Yes-Lewis, Machida; 2 Oppose-Radcliffe, Miyake)

III. COMMITTEES

A. ADMINISTRATIVE COMMITTEE:

Trustee Matayoshi reported:

1. The Administrative Committee will have further discussion regarding the RFP for TPA at their next committee meeting.
2. A list of potential amendments to Chapter 87A, that was approved by the committee, was requested and given to Senator Kanno. The Trustees discussed Senator Kanno's request and why legislative proposals not recommended by the committee were not on the list given to Senator Kanno. The Administrative Committee will further review the proposed amendments at their next committee meeting and refer any recommendations to the Board for review. Further discussion held by Trustees.
3. An update was given regarding the HFIMS reconfiguration (previously approved by the Board for scope of services).

B. RULES COMMITTEE:

Deferred until Trustee Yogi arrives.

C. BENEFITS COMMITTEE:

Trustee Lewis reported that the processing of RFP 03-001 has come to a halt and that the issue on the impact of collective bargaining needs to be discussed first before any further processing of RFP 03-001. Trustee Lewis noted a response was received from Mr. Aburano on the impact of collective bargaining.

IV. OTHER REPORTS

A. ADMINISTRATOR

Mr. Fukuhara reviewed and reported on:

1. FY03 Expenditure Report (see handout)
Discussion held by Trustees on the expenditure report.
2. FY04-05 Biennium Budget (see handout)
Discussion held by Trustees and staff on the biennium budget. Trustees expressed concern about Budget and Finance cutting the Board's approved budget. Mr. Aburano stated that: under Chapter 87A-30, the EUTF is attached to Budget and Finance (B&F) for administrative purposes; under Section 26-35, the EUTF's budget is submitted through and included as part of B&F's budget; and under Section 87A-31(b), the approval of the Governor and the Legislature appear to be necessary to fund administrative and certain other expenses of the EUTF.

MOTION was made for Board to go to subject committee first to get support then go to money committees. (Machida/Miyake)
After discussion, the motion unanimously passed. Employer trustees-4/Employee Beneficiary Trustees-4)

Recess 10:27 a.m. – 10:37 a.m.

Trustee Radcliffe left at 10:27 a.m.

3. Staffing and Space Update
Kathleen Shiroma was introduced.

The lease agreement has not been finalized. EUTF is working with PEHF to move to City Financial Tower in mid February. Leasehold improvements will be made and include a large conference room. Discussion held by Trustees and staff on the staffing and space.

4. EUTF/PEHF Transition
Segal reports for PEHF reviewed. (see handouts)
Discussion held by Trustees and staff. Further discussion held on the cost comparisons. Trustee Lewis stated that no information should go to the Legislature without Board approval.
5. Insurance Renewal
The State is currently insured to \$2 million. Coverage will remain the same. Marsh notified that the Board does not need terrorism coverage. The Board can make a decision to have the terrorism coverage.
6. 9-Month Plan (see handout)
Power point presentation on the 9-month plan. Discussion held by Trustees and staff.
7. Communication Plan
Deferred to next meeting.

B. DEPUTY ATTORNEY GENERAL: None

C. BENEFITS CONSULTANT: None

V. UNFINISHED BUSINESS: All items deferred to next meeting.

- A. Average Family Size – Comparison with State Auditor Report
- B. List of requests for changes to RFP (10/17/02)
- C. Draft letter to Insurance Commission re: Mutual Benefit Society
- D. Draft letter to Mel Higa
- E. Trustees' review of questions and answers to RFP. No. 03-001

VI. NEW BUSINESS: All items deferred to next meeting.

- A. Benefits Consultant Recommendations Regarding Plan Designs
- B. Election of New Chair or Interim Chair; election or appointment of other offices or committee position resulting from resignation of Trustee Callejo

VII. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES: All items deferred to next meeting.

- A. Letters/memos from Mel Higa
- B. Letter from Charles Khim
- C. Letter from Laborers International Union Local 368
- D. Letters from Trustee Will Miyake
- E. Letter and information from HMA, Inc.

F. Garner Bulletin November 2002

VIII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

Administrative Committee meeting scheduled for Monday, February 3, 2003.

Trustee Matayoshi left at 12:05 p.m.

IX. EXECUTIVE SESSION: All items deferred to next meeting

A. Evaluation of RFP proposals with board's benefits consultant and consultation with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities and liabilities regarding the RFP proposals.

X. ADJOURNMENT

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

The meeting was adjourned at 12:10 p.m.

Respectfully submitted,

/s/

Bob Awana, Secretary-Treasurer

APPROVED on September 18, 2003.

Documents Distributed:

1. Minutes for August 20, 2002. (7 Pages)
2. Minutes for August 26, 2002. (13 Pages)
3. Potential Amendments to Chapter 87A dated 1/17/03. (1 Page)
4. People Soft Integration Partner-For Computer System Configuration Changes Scope of Work dated 1/7/03. (5 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 Solomon W.H. Wong dated 12/18/02. (4 Pages)
10. Response Letter from Governor Lingle to Solomon Wong dated 1/6/03. (1 Page)
11. HEUHBTF FY 03 Expenditures dated 12/16/02. (1 Page)

12. HEUHBTF Budget Request-Final FY 2004 and FY 2005 Means of Financing-Trust Funds dated 12/16/02. (1 Page)
13. Segal Quarterly Consultant's Report-1st Quarter for PEHF dated 12/9/02. (16 Pages)
14. PEHF Actives, Retirees, Children Reports dated 11/18/02. (3 Pages)
15. Memo from Segal to PEHF Re: Proposed Renewal Rates 2003-2004. (5 Pages)
16. EUTF Nine-Month Plan dated 10/8/02. (5 Pages)
17. EUTF FY03 Communication Plan dated 11/4/02. (4 Pages)
18. EUTF Annual Report for FY 2001-02 dated 12/2002. (4 Pages)
19. Letter from Will Miyake dated 12/18/02. (2 Pages)
20. Response Letter from Administrator to Will Miyake dated 12/24/02. (1 Page)
21. Letter from Will Miyake dated 12/26/02. (1 Page)
22. Demographic Data-Family Size Comparisons dated 10/28/02. (1 Page)
23. List of Requests for Changes to RFP dated 10/17/02. (7 Pages)
24. Benefits Consultant Recommendation regarding Plan Designs dated 10/28/02. (7 Pages)
25. Resignation Letter from Sam Callejo dated 12/2/02. (1 Page)
26. Appointment Letter for Bob Awana from Governor dated 12/13/03. (1 Page)
27. Appointment Letter for Dayton Nakanelua from Governor dated 1/24/03. (1 Page)
28. Appointment Letter for John Radcliffe from Governor dated 1/24/03. (1 Page)
29. Letter from Melvin Higa regarding Rules dated 10/15/02. (5 Pages)
30. Letter from Melvin Higa regarding Rules dated 10/18/02. (5 Pages)
31. Letter from Melvin Higa regarding Rules dated 10/23/02. (1 Page)
32. Letter from Melvin Higa regarding Rules dated 10/23/02. (2 Pages)
33. Letter from Melvin Higa regarding Rules dated 10/25/02. (9 Pages)
34. Letter from Charles Khim regarding Rules dated 10/25/02. (5 Pages)
35. Letter from Benjamin Saguibo dated 11/1/02. (5 Pages)
36. Response letter from Sam Callejo to Benjamin Saguibo dated 11/15/02. (1 Page)
37. Letter from Will Miyake regarding RFP dated 11/20/02. (8 Pages)
38. Letter and Information from HMA Inc. dated 11/22/02. (10 Pages)
39. Response from Administrator to HMA Inc. dated 11/26/02. (1 Page)
40. Garner Bulletin for November 2002. (2 Pages)