

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Friday, January 23, 2004

TRUSTEES PRESENT

Mr. Will Miyake, Chairperson

Ms. Joan Lewis, Vice-Chairperson

Mr. Harold DeCosta

Mr. Gerald Machida

Mr. John Radcliffe

Mr. Mark Recktenwald

Ms. Katherine Thomason

Ms. Kathleen Watanabe

TRUSTEES ABSENT

Mr. Bob Awana, Secretary-Treasurer

Mr. Dayton Nakanelua

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. H. Mark Fukuhara, Administrator

Mr. Lawrence Nishihara

Ms. Maria Quartero

Ms. Kathleen Shiroma

Mr. John Garnett, Consultant

Ms. Richard Eason, Consultant

Ms. Donna Tonaka

OTHERS PRESENT

Ms. Lynette Arakawa, HDS

Mr. Tracy Ban, B&F

Ms. Sandra Benevides, Kaiser Permanente

Ms. Alana Deppe-Mariota, Kaiser Permanente

Ms. Monica Engle, VSP

Ms. Elaine Fujiwara, HDS

Ms. Venus Gabuyo, MBAH

Ms. Beverly Gotelli, HSTA

Mr. Melvin Higa, RSN

Mr. Rick Jackson, MDX Hawaii

Ms. June Kadomoto, ORTA

Ms. Doreen Kuroda, DHRD

Mr. Maurice Morita, HSTA

Ms. Karen Muronaka, HSRTA

Mr. Glenn Nakamoto, DOE

Ms. Celeste Nip, HFFA

Ms. Gertrude Nitta, HGEA-R

Mr. Peter Rodriguez, Hartford

Mr. Rod Tam, HMSA

Mr. George Yamamoto, HGEA-Retirees

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:06 a.m. by Trustee Will Miyake, Chairperson, in Conference Room 1403, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Friday, January 23, 2004.

II. EXECUTIVE SESSION

Motion was made to go into Executive Session at 9:06 a.m. to consult with the board's attorney on Awakuni and O'Gorek lawsuits and questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities pertaining to: (a) amendment of the Trust Fund's health and other benefit plans, including, rating structures of such plans; (b) tax implications of non-dependent domestic partners; and (c) compensation of EUTF administrator, and related matters affecting privacy. (Radcliffe/Thomason) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

1
2 Executive Session recessed at 9:45 a.m.
3

4 III. APPROVAL OF MINUTES
5

6 Review of minutes for May 29, 2003 and August 20, 2003.
7

8 MOTION was made to approve the minutes of May 29, 2003 and August 20, 2003 as submitted.
9 (Lewis/Radcliffe) The motion passed unanimously. (Employer Trustees-4/Employee-
10 Beneficiary Trustees-4)
11

12 IV. COMMITTEE REPORTS
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14 A. ADMINISTRATIVE COMMITTEE

15 Chair Recktenwald reported:
16

17 1. Colonial Life Insurance

18 Colonial Life Insurance was awarded business in South Carolina and in exchange is
19 doing open enrollment at no charge with the opportunity to offer additional insurance
20 products and would like to offer the same to the State of Hawaii. If the Trustees choose
21 to proceed, it would be through an RFP. There were concerns by the Committee
22 regarding the possibilities that the insurance company may push options to benefit
23 themselves and not necessarily to benefit employees. The Administrative Committee is
24 still exploring the option. Mr. Garner stated that the Committee decided to wait until
25 after the upcoming open enrollment and if it is good the Trustees may not want to pursue
26 having others conduct open enrollment.
27

28 2. Hartford Insurance

29 Hartford has requested a minor change to its contract. Currently, the contract provides
30 that once insured individuals satisfy their 90-day elimination period, the premiums they
31 had paid would be returned to them. The Insurance Commissioner had a concern with
32 that provision. Hawaii has adopted the National Association of Insurance Commissioner
33 long-term care model provisions which prohibit any refund or return of any kind to
34 insureds. The proposed change is that the individuals who would be affected would not
35 be required to pay premiums during the elimination period and this would be an
36 advantage to them.
37

38 MOTION was made upon the recommendation of the Administrative Committee for the
39 Board to approve Hartford's contract amendment. The motion passed unanimously.
40 (Employer Trustees-4/Employee-Beneficiary Trustees-4)
41

42 3. Administrative Fee Allocation

43 Overview by Trustee Recktenwald on the administrative cost allocation (see handout).
44

1 MOTION was made upon the recommendation of the Administrative Committee for the
2 Board to approve the administrative fee allocation in concept and to authorize the
3 Administrator to adjust the amounts to come out with an even number of cents. The
4 motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)
5

6 4. HIPAA Privacy Compliance Review and Gap Analysis Report

7 Overview by Chair Recktenwald on the HIPAA Privacy Compliance Review and Gap
8 Analysis report (see handout). The EUTF is not technically in full compliance with all
9 HIPAA requirements. The report explains the recommendations and clarifications that
10 should be made.
11

12 MOTION was made upon the recommendation of the Administrative Committee for the
13 Board to approve hiring Garner Consulting to assist in making the EUTF fully HIPAA
14 compliant (to include revising the notice of the EUTF's privacy rules) for an amount not
15 to exceed \$3,500.00, to have the Administrator see that this is implemented by the end of
16 April 2004, and to accept the HIPAA Privacy Compliance Review and Gap Analysis
17 report. The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary
18 Trustees-4)
19

20 5. GASB Exposure Draft on Postemployment Benefits – For Information Only

21 Overview by Trustee Recktenwald on the GASB exposure draft on postemployment
22 benefits. Trustee Recktenwald explained that the draft proposes some new accounting
23 standards. The basic thrust of the draft is that governmental entities should begin
24 reflecting the expenses and liabilities associated with postemployment benefits on their
25 financial statements. The concept is that retirees earned those benefits during their
26 working careers and that there should be an accrual of that liability while they are
27 working. Mr. Garner stated that they are working with DAGS on this issue.
28

29 6. Domestic Partners – Imputed Income

30 Overview by Trustee Recktenwald on the imputed income for domestic partners. An
31 employer's contributions for health benefits coverage for domestic partners who don't
32 qualify as an employee's dependent under federal tax laws create taxable income for the
33 particular employee. The additional taxable income should be reported to the IRS. The
34 EUTF is working with DAGS to make sure that: (a) in the future, all such additional
35 taxable income is recorded properly, and (b) for the current tax year, to issue and file
36 such documents as are necessary to fairly report all such additional taxable income. The
37 EUTF staff will implement procedures to send out W2s to employees and 1099s to
38 retirees with an explanatory letter. Mr. Aburano stated he does not have expertise in tax
39 law and recommends that the Trustees hire an outside tax attorney to: (a) review the
40 EUTF's forms and procedures; (b) advise as to any needed or desirable changes to such
41 forms and procedures; and (c) provide advice as to how to handle certain situations and
42 problems that have or are likely to arise regarding federal and state taxes and the EUTF's
43 coverage of domestic partners.
44

1 MOTION was made upon the recommendation of the Administrative Committee for the
2 Board to approve an inquiry into the cost of hiring an outside tax counsel as
3 recommended by Brian Aburano to review/revise EUTF forms and procedures. After
4 discussion by Trustees (Trustee Radcliffe left at 10:02 a.m.), the motion passed
5 unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)
6

7 Trustee Radcliffe returned at 10:04 a.m.
8

9 7. Administrative Rules Clarifications – Contribution Shortages

10 Overview by Chair Recktenwald on the Administrative Rules clarification for
11 contribution shortages.
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13 MOTION was made upon the recommendation of the Administrative Committee for the
14 Board to approve for the EUTF staff to develop proposed amendments to the rules and in
15 the interim to implement the following policy: allow enrollment to be continuous if a
16 shortage is paid in full within 30 days; and allow enrollment only during open enrollment
17 or other qualifying event if more than 60 days has passed since the shortage was first
18 due, provided that the shortage is paid in full. The motion passed unanimously.
19 (Employer Trustees-4/Employee-Beneficiary Trustees-4)
20

21 8. Financial Report as of 12/31/03

22 Chair Recktenwald reported that the EUTF staff will do a monthly financial report with
23 analysis/footnotes.
24

25 9. Staffing Plan

26 Overview by Mr. Nishihara on the staffing plan (see handout). Mr. Fukuhara stated that
27 in the future, the EUTF would like to get the Board's approval to pursue these additional
28 positions as part of our next submission in preparation for the next biennium budget. The
29 staffing plan is to be used to go forward to process the necessary paperwork for the
30 reorganization and consultation with HGEA for the existing positions. Discussion held
31 by Trustees and staff regarding the six additional positions and the moving of employees.
32 Mr. Fukuhara recommended that the Board approve for the EUTF to hire three temporary
33 customer service representatives for the 2004 open enrollment not to exceed June 2004.
34 Money is available in the EUTF budget. Further discussion by Trustees and staff
35 regarding the civil service positions and temporary customer service positions.
36 Chair Miyake deferred the staffing plan to the Administrative Committee for further
37 discussion and additional information by the EUTF staff.
38

39 MOTION was made to approve the hiring of three temporary customer service
40 representatives for the 2004 open enrollment for a period not to exceed 89 days.
41 (Radcliffe/Recktenwald) After discussion held by Trustees, the motion passed
42 unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)
43

44 10. Changes in Phone System – 2 additional ACD's

1 Overview by Mr. Fukuhara regarding the changes in the phone system (see handout).
2 Trustee Recktenwald left at 10:26 a.m.

3
4 MOTION was made to approve 2 additional ACD system at a cost of \$300 per month.
5 (Watanabe/Machida) The motion passed unanimously. (Employer Trustees-
6 3/Employee-Beneficiary Trustees-4)

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8 11. RFP for PeopleSoft Consulting Services

9 Overview by Kathleen Shiroma regarding the RFP for PeopleSoft Consulting Services
10 (see handout). Trustee Recktenwald returns at 10:30 a.m. Discussion held by Trustees
11 and staff regarding the cost.

12
13 MOTION was made to approve the RFP to procure a consultant to provide technical
14 expertise to advise and assist in the planning and implementation of configuration
15 changes to the PeopleSoft HR and AR modules in support of the EUTF's requirements
16 not to exceed \$95,000. (Radcliffe/DeCosta) Further discussion held by Trustees and
17 staff regarding upgrades and the cost. The EUTF staff will do further research to
18 determine whether the upgrade can accommodate the requested configuration changes as
19 an alternative and then return to the Board with a recommendation. At this time,
20 Mr. Fukuhara is recommending that the Board approve item no.1 under Operations for
21 RFP-Scope of Work. With two people recently retired, who were experts on the system,
22 there is only one employee that is able to assist with daily event maintenance and
23 documentation. The EUTF would like to hire a consultant to do documentation and to be
24 able to train managers to understand and to know how the job is done, so others can be
25 trained. Further discussion by Trustees and staff regarding what is in the upgrade of
26 PeopleSoft and the cost for a small purchase.

27
28 AMENDED MOTION was made to approve a small purchase for item no. 1 under
29 Operation for RFP-Scope of Work: assist with daily event maintenance routines and
30 semi-monthly payroll closing. This includes scheduling and running jobs to process,
31 resolving errors, developing documentation and training managers. (Radcliffe/Machida)
32 After discussion by Trustees, the motion passed unanimously. (Employer Trustees-
33 4/Employee-Beneficiary Trustees-4)

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36 B. BENEFITS COMMITTEE

37 Chair Radcliffe reported:

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39 1. Rates Effective 7/1/04

40 The Benefits Committee reviewed the rates effective 7/1/04 and they are under the caps.
41 Garner Consulting has assured the Trustees that he will bring in rates that are less than
42 what is now on paper. Mr. Garner clarified that they are still in the process of
43 negotiating with HMSA and would like authority to continue to negotiate to get lower
44 rates.
45

1 MOTION was made upon recommendation of the Benefits Committee for the Board to
2 approve HMSA's proposed rates, to be effective 7/1/04, as the absolute highest rates that
3 may be accepted, subject to negotiation with HMSA to lower these rates. After
4 discussion held by Trustees, the motion passed unanimously. (Employer Trustees-
5 4/Employee-Beneficiary Trustees-4)
6

7 2. Stand Alone Prescription Drug Plan

8 Some employees requested that the EUTF look into offering a stand alone prescription
9 drug plan. HMSA has offered a stand alone prescription drug plan, to be effective
10 7/1/04, with the same benefits and rates as the plan bundled with the HMSA medical
11 plan. Discussion held by Trustees and consultant regarding HMSA's stand alone
12 prescription drug plan. Mr. Garner stated that the intent is to address the people who
13 have other medical coverage but either no drug coverage or very, very poor drug
14 coverage. Further discussion held by Trustees and consultant regarding the possibility of
15 adverse selection.
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17 MOTION was made upon the recommendation of the Benefits Committee for the Board
18 to approve a stand alone prescription drug plan. After discussion by Trustees, the motion
19 passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)
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21 3. Adding to Current 2 Tiers of Rates

22 Overview by Trustee Radcliffe regarding the adding to current 2 tiers of rates.
23

24 MOTION was made upon the recommendation of the Benefits Committee for the Board
25 to approve to send to the unions and employers information on the costs of multi-tier rate
26 structures for their consideration and possible action. After discussion by Trustees, the
27 motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)
28

29 Further discussion held by Trustees and consultant regarding multi-tiering for retirees.
30 Chair Miyake stated that the Board is unable to pursue this matter because it would
31 require legislative action since the law provides that retirees have a single and family
32 plan with a maximum rate. It may be an issue that the retirees want to pursue.
33 Mr. Garner agreed and stated that as long as the rates are under the caps, the tiering
34 structure does not need to be changed.
35

36 4. Impact on Rates if HSTA is Exempt from EUTF

37 Overview by Trustee Radcliffe regarding the impact on rates if HSTA is exempt from
38 EUTF. Discussion held by Trustees regarding the legislative proposal. Mr. Sodemani
39 clarified that the legislative proposal does not say that it is an HSTA bill, it may imply
40 that, but it allows every organization if they choose to form a 501 (c)(9) VEBA trust.
41 The bill is in both the House and Senate. Mr. Morita stated that HSTA is making an
42 amendment to offer a five-year pilot with a sunset date that if they cannot show the
43 employer that the VEBA trust can save the employers money then the bill would die.
44 Discussion held by Trustees, public, and consultant regarding coverage for retirees.
45 Further discussion by Trustees regarding who is requesting this information, concerns

1 about any costs, and if the Trust consultant can remain neutral. Mr. Garner stated that it
2 is within the scope of their contract.

3
4 MOTION was made upon the recommendation of the Benefits Committee for the Board
5 to approve Garner Consulting and the EUTF staff, if asked by the Legislature, to provide
6 any information (if available by the next Benefits Committee meeting) of the impact on
7 the EUTF's rates if HSTA is exempt from the EUTF. After discussion by Trustees, the
8 motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)
9

10 5. Kaiser Cancellation of Dependent for Cause

11 Termination by Kaiser of a dependent-beneficiary for abusive behavior. There is no
12 appeal possible because the EUTF rules do not provide for an appeal if the EUTF's
13 health insurers terminate a person. Kaiser Permanente is strongly recommended to look
14 into this matter.

15
16 6. Kaiser Multi-site Contracts

17 There are Kaiser multi-site contracts for Kaiser coverage of EUTF beneficiaries who
18 reside outside of Hawaii that are with each Kaiser regional entity not with Kaiser Hawaii
19 that need to be executed.

20
21 MOTION was made upon the recommendation of the Benefits Committee for the Board
22 to authorize Garner Consulting to negotiate and for the Administrator to sign Kaiser
23 multi-site contracts to provide Kaiser coverage for EUTF beneficiaries who reside
24 outside of Hawaii. The motion passed unanimously. (Employer Trustees-4/Employee-
25 Beneficiary Trustees-4)
26

27 7. Potential Appeal Regarding Eligibility of Child Placed in Adoption

28 Overview by Trustee Rancliffe of an appeal regarding the eligibility of a child that an
29 employee-beneficiary intends to adopt. Mr. Aburano explained that under the old
30 PEHF's rules, if someone filed a petition for adoption, the PEHF would immediately
31 provide health coverage for at least six months and someone would manually follow-up
32 to make sure the adoption proceeded. Under the EUTF rules, it was proposed but not
33 adopted to have the same type of provision. HIPAA requires coverage for a person who
34 becomes a dependent of an employee-beneficiary through "adoption or placement for
35 adoption". The definition of "placement for adoption" appears to require the assumption
36 or retention of a "legal obligation for total or partial support of a child by a person with
37 whom the child has been placed in anticipation of the child's adoption." The employee-
38 beneficiary in this case, does not appear to have any "legal obligation" to support the
39 child in question. Mr. Aburano noted that under Hawaii's adoption laws, prospective
40 adoptive parents are permitted to seek an order of temporary custody as soon as they file
41 a petition for adoption, and that such an order would make them responsible for the
42 child's support. The Committee is suggesting that in order to resolve the appeal, the
43 appellant file a petition asking for an order to obtain temporary legal custody which
44 would include the obligation to support and maintain the child.
45

1 MOTION was made upon the recommendation of the Benefits Committee for the Board
2 to approve for Mr. Aburano to write a letter to the appellant to: (a) advise he/she of the
3 statute under which a court order for temporary custody pending finalizing an adoption
4 could be obtained and providing he/she with as much information as possible about how
5 to obtain such an order; and (b) advise he/she that upon receipt of such an order, the
6 EUTF would provide the requested coverage. The motion passed unanimously.
7 (Employer Trustees-4/Employee-Beneficiary Trustees-4)
8

9 V. OTHER REPORTS

10 A. ADMINISTRATOR

11 Mr. Fukuhara submitted Administrator's Update/Report (see handout)
12

13 Mr. Fukuhara reported on the following additional items:
14

- 15 1. Special Open Enrollment for Dual Coverage Plan
16 Thus far, 80 enrollment forms have been received (47 for HMSA and 33 for Royal
17 State). No data entry will be done for the Royal State plan until the collective
18 bargaining process is completed because we need to know how much the
19 employer/employee contributions would be.
20
- 21 2. Imputed Income for Domestic Partners
22 He was informed by Trustee Thompson that DAGS is close to finalizing and mailing out
23 the W2s with the explanatory letters to approximately 170 state active employees.
24 DAGS is asking that a contact person's phone number be listed if they have further
25 questions. The Administrator gave his cellular phone number.
26
- 27 3. Stand Alone Prescription Drug Plan
28 The stand alone prescription drug plan will also require collective bargaining in order to
29 determine the appropriate contributions
30
- 31 Trustee Recktenwald left at 11:22 a.m.
32
- 33 4. Open Enrollment - Timetable on Printing of Booklets (see handout)
34 The board previously approved the cost for the printing of the booklets not to exceed
35 \$100,000, the Administrator is requesting that the Board approve to adjust the cost for
36 the printing of the booklets not to exceed \$120,000 and to also proceed to award the
37 contract to the lowest bidder. The Board previously approved an RFP for a public
38 relations firm to provide presentation materials for a cost not to exceed \$60,000, the
39 Administrator is proposing that rather than go out for an RFP, the EUTF will use a small
40 purchase order to obtain a macro-media (CD) presentation for a cost not to exceed
41 \$25,000. The CDs would be a separate cost but the total will still be less than the
42 \$60,000.
43

44 MOTION was made for the Board to approve: (1) to adjust the cost for the printing of
45 the booklets not to exceed \$120,000 and to proceed to award the contract to the lowest

1 bidder; and (2) to use a small purchase order to obtain a macro-media (CD) presentation
2 for a cost not to exceed \$25,000. (Machida/Radcliffe) The motion passed unanimously.
3 Employer Trustees-3/Employee-Beneficiary Trustees-4)

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5
6 5. Closing of PEHF

7 Overview by Mr. Fukuhara regarding the closing of PEHF and why it has been delayed
8 since December 31, 2003. A draft of the audit should be provided by the next Board
9 meeting. Forthcoming is a letter from the Attorney General's office providing a
10 confirmation of certain matters pertaining to the Board's authority and immunity
11 regarding the closing out of the PEHF. After receipt of that letter, the EUTF will
12 proceed forward on all remaining closeout items.

13
14 Trustee Watanabe left at 11:24 a.m. Trustee Recktenwald returned at 11:26 a.m.

15
16 6. Exemption from Rate Regulation

17 An inquiry was made to the Insurance Commissioner's office to confirm if we are
18 exempt from the rate regulation law. An e-mail was received yesterday and the
19 Administrator also spoke to the person that they did feel that there was nothing in the
20 regulation that specifically exempts the Trust Fund. They will be issuing letters to the
21 carriers informing them that they need to provide information necessary to comply with
22 the rate regulation law.

23
24 7. Filling of Positions

25 The Director of Finance did not approve our requests to fill the three open positions at
26 the salaries we wanted to offer. Trustee Watanabe returned at 11:30 a.m. The
27 administrator did meet with the Director of Finance and she promised to reconsider and
28 may approve our request. Discussion held by Trustees and staff regarding approvals for
29 positions and why the EUTF needs the Director or Governor's approval. Chair Miyake
30 has asked the Administrative Committee to investigate and determine the Board's
31 authority and whether autonomy is needed. Further discussion held by Trustees
32 regarding the intent of the Legislature. Mr. Aburano stated that he can look into the
33 history again but it is not a question of the legislation not being clear, the legislation is
34 clear that the EUTF is an administratively attached agency. In another statute, the
35 obligations of an administratively attached agency are spelled out. He further noted that
36 while there might have been comments during the legislative session that led to the
37 enactment of Act 88 that the EUTF was to be independent or a stand alone type of
38 entity, language to that effect does not really appear in any legislative committee report.
39 Further discussion held by Trustees regarding attached agencies' responsibility.

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41 B. DEPUTY ATTORNEY GENERAL: None

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43 C. BENEFITS CONSULTANT

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45 Mr. Garner reported:

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1. Letter to HMSA Appeals Unit in Support of a Prescription Drug Denial
 2. Garner Consulting Bulletin for November 2003 & December 2003 (see handouts)
Mr. Garner stated that the two bulletins describe the Medicare prescription drug legislation that was passed. Medicare will have a prescription drug benefit starting in 2006. The good news for the Trust Fund is for health plans that continue to provide prescription drug benefits there will be a 28% subsidy from the federal government to those health plans. The legislative history is clear that is intended to apply to governmental plans as well as private sector plans. The other bulletin describes the health savings account that is a new benefit that is created by the Medicare reform bill. They will be working with the Benefits Committee to explore whether or not this would make sense for the EUTF.

D. Carrier's Reports

HMSA

Trustee Lewis is concerned why Lipitor will no longer be a formulary drug but yet is the most prescribed drug to control cholesterol. Mr. Tam from HMSA stated that effective January 1, 2004 HMSA decided not to renew the contract. The two alternative drugs are Lovastatin (generic) and Pravachol (preferred brand) that are recommended to all providers. HMSA will send to every provider who is prescribing Lipitor in 10 and 20 milligrams format a letter and a list of their patients letting them know that if they do switch to the generic they will have a one month reprieve for co-payment of the generic drug. Letters will also be sent to the members informing them that Lipitor is going off the formulary. He explained that Lipitor comes in four strengths, those people on the 80 and 40 milligrams will be grandfathered in because they generally need more medication to lower their cholesterol. He stated that approximately 7,000 EUTF members will be affected and letters will also be sent to them with a coupon. Discussion held by Trustees and staff regarding Lipitor and HMSA's decision. Mr. Moss from HMSA stated that they were not able to negotiate with the manufacturer terms that they believed were favorable in terms of costs. They would never take something off the formula unless they believed that there were alternatives that were available either on a generic or preferred brand basis that would have the efficacies of any drug that has been taken off. He stated that the alternatives are just as affective as Lipitor for those taking the 10 or 20 milligrams. Lipitor is still available but it will cost more. Trustee Watanabe left at 11:47 a.m. and returned at 11:49 a.m. Further discussion held by Trustees and staff regarding providing more information to our members on the website. Mr. Aburano suggests that the EUTF should get any information from HMSA on why they made this decision and if there are articles or other things that show that the alternatives are as affective. He is hesitant to advise them to try the generic drug to save costs that is a patient/doctor matter.

VI. UNFINISHED BUSINESS: None

VII. NEW BUSINESS

- 1
2 A. Plans, tiers, premiums, and administrative fees effective July 1, 2004
3 Discussed earlier.

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5 Recess at 11:58 a.m. and Reconvened at 12:04 p.m.

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7 B. HMSA's HealthPass at the Worksite – Carlyn Ireland
8 Presentation by Carlyn Ireland (see handout).

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10 VIII. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

11 A. Letter from DOE Regarding Open Enrollment dated 1/9/04 (see handout)

12 B. Openline Bulletin for November 2003 (see handout)

13 C. The High Road Bulletin for December 2003 (see handout)

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18 IX. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

19 *Administrative Committee meeting is scheduled for Tuesday, February 17, 2004 at 1 p.m.

20 *Benefits Committee meeting is scheduled for Tuesday, February 17, 2004 at 3 p.m.

21 *Regular Board meeting scheduled for Wednesday, February 18, 2004, SOT room 405.

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23
24 Executive Session reconvened at 12:49 p.m.

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28 Motion was made to move out of Executive Session. (Watanabe/Thomason) The motion passed
29 unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

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31 Executive Session adjourned at 1:30 p.m.

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33 X. ADJOURNMENT

34 MOTION was made to adjourn the regular meeting. (Watanabe/Thomason) The motion passed
35 unanimously. (Employer trustees-4/Employee-Beneficiary trustees-3)

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37 The meeting was adjourned at 1:30 p.m.

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39 Respectfully submitted,
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Documents Distributed:

1. Draft Board Minutes for 5/29/03. (8 pages)
2. Draft Board Minutes for 8/20/03. (13 pages)
3. EUTF 2005 Administrative Cost Allocation & Alternatives dated 1/22/04. (2 pages)
4. Proposed Staffing/Authorization Changes dated 1/16/04. (4 pages)
5. EUTF Changes in Phone System dated 1/22/04. (1 page)
6. Request for Proposal – Scope of Work dated 1/22/04. (1 page)
7. Administrator’s Update/Report dated 1/23/04. (1 page)
8. 2004 Open Enrollment Period, Printing & Delivery Timetable dated 1/23/04. (1 page)
9. Special Open Enrollment Period & Information Packet (12 pages)
10. Letters to Legislature and Annual Report for EUTF (8 pages)
11. Garner Bulletin for November 2003. (2 pages)
12. Garner Bulletin for December 2003. (2 pages)
13. Letter from DOE Regarding Open Enrollment dated 1/9/04. (2 pages)
14. Openline Bulletin for November 2003. (2 pages)
15. The High Road Bulletin for December 2003. (2 pages)
16. Approved Board Minutes for 2/11/03. (7 pages)
17. Approved Board Minutes for 2/19/03. (7 pages)

DRAFT