

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Thursday, November 29, 2007

TRUSTEES PRESENT

Mr. Gerald Machida, Chairperson	Ms. Elizabeth Ho
Mr. George Kahooahano, Vice Chairperson	Mr. John Radcliffe
Ms. Marie Laderta, Secretary-Treasurer	Mr. Lawrence Reifurth
Ms. Barbara Annis	Mr. Stanley Shiraki
Mr. Darwin Ching (arrived 9:05 am)	

TRUSTEES ABSENT

Mr. Guy Fujio

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

Mr. James Williams, Administrator	Mr. Timothy Nimmer, Consultant
Mr. Lawrence Nishihara	Mr. Mark Fukuhara, Consultant
Ms. Maria Quartero	Mr. Justin Kindy, Consultant
Ms. Kathleen Shiroma	Mr. Bryan Aycock, Consultant
Ms. Donna Tonaki	

OTHERS PRESENT

Ms. Sandra Benevides, Kaiser Permanente	Ms. Ruth Kim, HSRTA
Mr. Paul Carter, HMA	Ms. Wanda Kimura, B&F
Ms. Monica Engle, VSP	Ms. Doreen Kuroda, DHRD
Mr. Kevin Fong, HDS	Ms. Margaret Lawrence, HMAA
Ms. Venus Gabuyo RSN	Mr. Don Lightfoot, The Grant Group
Mr. John Garner, Garner Consulting	Mr. Michael Moss, Kaiser Permanente
Ms. Susan Goya, HGEA Retirees	Mr. Harris Nakamoto, HMA
Mr. Terry Harrison, NMHC	Ms. Gertrude Nitta, HGEA-R
Mr. Jun Jao, HMA	Ms. Cindy Sasaki, Grant Thornton
Ms. Bonnie Kahalewai, Standard Insurance	Ms. Lynn Shimono, Grant Thornton
Ms. Cindy Kamikawa, Queens Medical Center	Dr. Patrick Sullivan, Hoana Medical
Mr. Jack Katahira, HGEA-R	Mr. Rod Tam, HMSA

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:01 a.m. by Trustee Gerald Machida, Chairperson, in EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Thursday, November 29, 2007.

II. APPROVAL OF MINUTES

The Board reviewed the draft minutes for October 24, 2007.

There being no objections by the Trustees, the minutes for October 24, 2007 were approved as circulated. [Trustee Ching arrived at 9:05 a.m.]

III. COMMITTEE REPORTS

A. Administrative Committee Report

Chair Annis reported that the Administrative Committee appointed herself, Barbara Annis, chair of the Administrative Committee. The Administrative Committee also made three recommendations:

1. New Business D – Revised Retiree Open Enrollment and Plan Year Dates
Overview by Chair Annis and Mr. Fukuhara regarding Aon's recommendation to change the plan year for retiree plans to a calendar year and to hold the retiree open enrollment in October-November, beginning with the 2009 plan year.

MOTION was made by the Administrative Committee for the Board to approve Aon's recommendation to change the plan year for retiree plans to a calendar year and to hold the retiree open enrollment in October-November, beginning with the 2009 plan year. The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

2. New Business G – Aon Contract – Optional Additional Services
To be discussed in Executive Session.
3. New Business H – Investment Consultant RFP
To be discussed in Executive Session.

B. Evaluation Committee

The Committee has not met and will submit its report at the January meeting.

IV. OTHER REPORTS

A. Administrator

1. November Update (see written report)
 - a. PeopleSoft Support
Overview by Ms. Shiroma regarding PeopleSoft support (see Administrator's report). Mr. Williams stated that this is the work with the EUTF contractor BST. In all the reports to Mr. Williams, BST has been helpful and a very valuable contractor so far.
 - b. RFP No. 08-001 Benefits Administration System Implementation and Maintenance Services
Ms. Shiroma reported details regarding RFP No. 08-001 which will be discussed in Executive Session.
 - c. Customer Service and Communication

Overview by Mr. Nishihara regarding customer service and communication (see Administrator's report). Mr. Nishihara stated that the newsletters for actives will be delivered through the employers and the newsletter for retirees will be mailed.

d. Supplemental Budget Request FY 09

Ms. Donna Tonaki reported that the Governor has approved the EUTF's supplemental budget request of \$363,806. Budget and Finance will submit the request to the legislature (see Administrator's report). Mr. Williams clarified that this covers the second year of the Investment Consultant and additional staff.

e. FY 2006-2007 Financial Audit

Overview by Lynn Shimono of Grant Thornton regarding the FY2006-2007 Financial Audit. Discussion held by Trustees, staff, and Grant Thornton regarding GASB 45. Trustees expressed concerns about approving an audit report that is a draft. Mr. Aburano stated that he has not heard that there is anything major to be corrected in the report, and the Board could approve the report subject to review of any later corrections or additions. Mr. Williams stated that if the Trustees are comfortable, the audit report should be approved at this meeting because it is attached to the EUTF Annual Report that is due in December to the Legislature. The financial numbers will not change and if there are any material changes the Board will be notified directly by the auditor. Ms. Shimono stated that at this time there are not very many changes, and the Trustees should bear in mind that these are allocation amounts between retirees and actives.

MOTION was made for the Board to approve the FY 2006-2007 Financial Statements as presented by the Auditor. (Radcliffe/Laderta) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

f. Public Officials and Fiduciary Liability Insurance

Ms. Tonaki introduced Mr. Bill Sandkuhler of Aon (EUTF Broker) to present the insurance renewal proposals (see proposals). Discussion held by Trustees, staff, and Aon regarding a new option to provide the individual Trustees with waiver of recourse coverage. The selection of this option would require the Trustees who select this coverage to pay a premium of \$25.00 each. The Trustees discussed their concerns about the need for this option. Mr. Williams stated the staff's recommendation is to approve the proposed Fiduciary Liability renewal with a \$10,000,000 limit for an annual premium of \$45,000. Mr. Williams stated that the staff recommends purchasing the proposed Public Officials and Employment Practices Liability insurance with a \$3,000,000 annual aggregate limit of liability for an annual premium of \$25,908. The

optional coverage for punitive and exemplary damages with a \$1,000,000 sub limit was also recommended for an additional 10% premium for that line of coverage.

MOTION was made for the Board to approve the insurance renewals as presented by Aon. (Kahoohanohano/Ho) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

g. GASB 43/45

Overview by Ms. Tonaki regarding the letter sent to the public employers regarding legislation addressing funding of OPEB (see Administrator's report). Discussion held by Trustees and staff regarding the Trustees requesting to be a part of any "deliberations".

h. Diabetes Life Coaching Program-City & County of Honolulu

Mr. Williams stated that he received a call from Jennifer Tobin, Human Resources Manager for the City & County of Honolulu requesting the EUTF to hold off on any decision regarding the Diabetes Life Coaching program.

There being no objections from the Trustees, this item is deferred until the January Board meeting.

i. International Foundation of Employee Benefit Plans 53rd Annual Conference
Overview by Mr. Williams regarding the IFEBP conference. Trustee Annis stated that the conference was very valuable and informative.

j. LGI Medical Vigilance System

Trustee Radcliffe disclosed that he has a conflict of interest which he informed the Trustees about at a prior Board meeting and, therefore, will recuse himself from this matter. He noted that he also was not in attendance at the last Board meeting when Hoana made a presentation.

Overview by Mr. Williams regarding visit to Queen's Medical Center along with Mr. Mark Fukuhara. Mr. Williams introduced Ms. Cindy Kamikawa from Queen's Medical Center. Presentation by Ms. Cindy Kamikawa regarding the purpose and use of the lifebed at Queen's (see report and poster). Questions asked by Trustees regarding the use of the lifebed, the number of lifebeds at Queen's, how long Queen's has been using the lifebeds, and who is paying for lifebeds. Ms. Kamikawa stated that Queen's has 48 lifebeds in full use on 2 floors and Queen's is paying for lifebeds currently. Mr. Williams stated that the issue here is reimbursement and inquired if insurance reimbursement would be a factor whether Queen's expands the use of the

lifebeds. Ms. Kamikawa stated if she had her choice she would request the ability to expand it to four more units. Looking at the costs right now, they have had to limit the lifebeds. Questions asked by Trustees when Queen's picked this up was it for a one-year study purpose and does Queen's plan to keep this equipment without reimbursement or will it eventually be incorporated in the costs of the room. Ms. Kamikawa stated the decision to install the lifebed in a 24-bed unit in the Oncology Unit was to gain an understanding as far as the impact of the lifeguard bed. Ms. Kamikawa would not consider it a study, they were confident from the standpoint of what they saw with the technology that it would definitely benefit their med-surge patient. Ms. Kamikawa stated Queen's is committed to keeping the lifebeds. In regard to incorporating the cost in the room rate, that is a question always asked within an organization; it becomes a technology that is a benefit to the patient and definitely something that can save their lives and injuries from the risk of fall. The question rises about technology aspect and reimbursement, how do you differentiate that patient who is on the lifeguard bed and the surveillance they receive versus the ones that do not. Right now there is only reimbursement for ICU. There is no other reimbursement now. Discussion held by Trustees and Ms. Kamikawa regarding the availability of lifebeds for EUTF members if the Board agreed to the reimbursements. Concerns were expressed by some Trustees as to why the EUTF should have to pay for reimbursements when other patients are on the bed for free or the hospital is picking up the costs. Discussion held by Trustees and Ms. Kamikawa regarding Queen's being the only hospital with lifebeds and if it would expand to other hospitals. Ms. Kamikawa stated she definitely thinks other hospitals will consider it but right now they probably cannot. Discussion held by Trustees and Ms. Kamikawa regarding falls, vitals, and how the lifebed can prevent injuries and reduce costs. Comments made by members of the public. Discussion held by Trustees and staff regarding prior authorizations and liability. Mr. Aburano stated there have been cases where people did not get a plan's approval to use a product they wanted, had a bad result, and tried to sue the plan. Mr. Aburano is not aware of any cases where a plan has been held liable for approving something a doctor and patient want.

Discussion held by Trustees and benefits consultant regarding the reason Aon is not making a recommendation. Mr. Nimmer stated that Aon's recommendation is to have the medical network evaluate this and then Aon will form an opinion. The reason is when they evaluate whether to include certain benefits or medical devices within their coverage or the DRG or per diem, their medical staff is very well qualified staff to exercise those types of judgments. Aon felt they need to know now before exercising any decision to approve a specific medical device. Aon could price it for the Board and give an estimation of what it would cost. This is the most expensive option because they looked at hospitalization and bed stay for all EUTF members.

This could be the maximum cost based on the last 12 months of data. At this time, Aon's recommendation was to obtain testimonials from qualified professionals such as Ms. Kamikawa did today. Also, they prefer to ask Aon's medical network which is why they contract with them to evaluate or test these things on Aon's behalf and to contract with the hospitals to obtain their opinion. Discussion held by Trustees and benefits consultant regarding how Aon arrived at the amounts. Mr. Nimmer stated that information was provided by HMSA based on the population for the last 12 months. Discussion held by Trustees regarding the lifebed savings lives and potential costs savings, concerns about this setting the standard for covering other services, setting policies and procedures, and tracking to be able to review historical information and readdress services. Trustee Ho expressed her concern that she is not comfortable approving without having a recommendation from the benefits consultant. Mr. Nimmer stated if the motion could be structured to where it is regarding a benefit as opposed to a specific medical device, then it would help Aon in terms of pricing. It could also protect the Board if something should go wrong that could create a perception of liability but he is not sure. Discussion held by Trustees and staff regarding if procurement is required and wording for the motion. Mr. Williams stated that discussions will be held with HMSA and HMA about structuring reimbursement. He knows Mr. Tom recommended prior authorizations but he has some doubts whether or not that is the best route and will speak to the carriers about that. Mr. Williams stated that staff would report back to the board with the details, without changing the policy direction if majority votes that way. Discussion held by Trustees and staff regarding procurement issues. Mr. Aburano stated that he does not think it is a procurement issue.

MOTION was made for the Board to direct the EUTF staff and benefits consultant to put together an implementation plan for one year, July 1, 2008 – June 30, 2009, for a reimbursement of \$18.00 per day/per bed and report back to the Board. After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

B. DEPUTY ATTORNEY GENERAL

1. Everson Lawsuit

Mr. Aburano stated as reported at the last Board meeting, the plaintiffs filed a motion for permission to file a Second Amended Complaint and he filed an opposition to that motion. The judge decided that it would be a non-hearing motion. He is awaiting the ruling.

2. HRS Chapter 432E Issue

Mr. Aburano reported in Executive Session at the last Board meeting that he heard through another deputy attorney general that the Insurance Division felt that

the EUTF self-funded plans were subject to the Patients' Bill of Rights, particularly the part requiring external review through the Insurance Commissioner. As stated in the last meeting, Mr. Aburano said he had some questions whether the Patients' Bill of Rights applies because there are some things in the statute which creates questions as to whether it was intended to apply to the EUTF. However, he noted that there is nothing in the Patients' Bill of Rights that specifically excludes the EUTF from the coverage of that statute. As mentioned, he will review further and speak to the deputy attorney general that advises the Insurance Division again.

C. BENEFITS CONSULTANT

1. November Report

- a. Prescription Drug Plan – Coordination of Benefits (COB) at Point-of-Service (POS)
Overview by Mr. Fukuhara regarding the COB at POS (see Consultant's report).
- b. Prescription Drug Plan – Supplemental Plan
Overview by Mr. Fukuhara regarding the supplemental plan (see Consultant's report).
- c. Prescription Drug Plan – Narrow Therapeutic Index Drugs
Overview by Mr. Fukuhara regarding the narrow therapeutic index drugs (see Consultant's report).
- d. Prescription Drug Plan – Grandfathering of HMSA Formulary
Overview by Mr. Fukuhara regarding the grandfathering of HMSA formulary (see Consultant's report). Earlier this year, the EUTF Board approved the grandfathering of the HMSA formulary that had the lower co-payments and agreed to review in 6 months. Mr. Fukuhara reported that Aon recommends that the EUTF have one formulary so everyone follows the same schedule as far as co-payments, particularly drugs. On the other hand, Aon wants to make sure communication is clear and people are informed way ahead of time. Aon's recommendation is to make the change effective July 1, 2008 for actives and January 1, 2009 for retirees. The grandfathering will continue for actives through this plan year ending June 30, 2008. During spring of this year, the communication materials will inform everyone about this change. Discussion held by Trustees, staff, and consultant regarding having only one formulary with NMHC, how it would affect retirees and actives, and what would be the price difference. Mr. Nimmer stated that Aon cannot comment on the formulary of NMHC because they do not know the details of their formulary. However, according to the estimations NMHC provided to Aon, the pricing impact on an annual basis is approximately \$2.5 million to the EUTF. When you look at the big picture this is a half percent of the total cost.

When the formulary is changed that cost will not be part of the liability to the EUTF, it will be applied to the participant. Discussion held by Trustees, staff, and benefits consultant regarding if Hawaii was factored in the formulary or was it only the continental United States and concerns about the beneficiaries paying the difference. Mr. Williams stated that Aon was not the consultant when initial decisions were made. Mr. Williams will confirm with NMHC but he thinks the formulary is negotiated nationally and includes Hawaii but is not unique to Hawaii. Mr. Williams stated that once it was known that NMHC was going to get the award, some Trustees inquired if there was a difference in the formulary because if the drug is on the formulary then you have the lower co-pay. It was indicated that there were some differences and actually NMHC had more drugs on its formulary but there were some drugs that were on the HMSA formulary and not on the NMHC formulary. If the EUTF followed the NMHC formulary, overall the EUTF prescription drug costs would be lower. The Trustees directed that anyone who was using a drug on the HMSA drug formulary and not on the NMHC formulary could continue to pay the same co-pay they had been paying for at least 6 months. The indication was that this would not be unlimited and the Trustees wanted time for a transition, and eventually the EUTF would use the NMHC formulary. The people who are using prescription drugs that are on the HMSA formulary and not on the NMHC formulary will need to make a choice; if they continue to use these drugs they will have a higher out-of-pocket payment. If it is for blood pressure, they will have other drugs under the NMHC formulary but they will have a choice. Discussion held by Trustees and staff regarding the types of drugs on the NMHC formulary, how many participants would be impacted, and the costs and if it is at all possible to get any of this information. Mr. Nimmer stated that Aon would like to work with NMHC to understand historically what their pharmacist recommends if they are using drug X what other alternatives for Y and Z that may fall on their formulary and what their options are to give the Board a general idea of how many people may be impacted. Aon will contact NMHC to get information and report back at the January Board meeting. Aon does have an initial list of those prescriptions that are impacted but does not have a list of the alternative medications.

MOTION was made for the Board to approve Aon's recommendation to end grandfathering and apply the NMHC formulary for all EUTF participants, effective July 1, 2008 for active plans and effective January 1, 2009 for early retiree and EGWP (Medicare retiree) plans. (Annis/Radcliffe)

MOTION was made for the Board to postpone the motion for the Board to approve Aon's recommendation to end grandfathering and apply the NMHC formulary for all EUTF participants, effective July 1, 2008 for active plans and effective January 1, 2009 for early retiree and EGWP (Medicare retiree)

plans. (Ching/Radcliffe) The motion passed. (Employer Trustees-4 yes-Annis, Ching, Laderta, Reifurth; 1 no-Shiraki/Employee-beneficiary Trustees-3 yes-Kahoohanohano, Machida, Radcliffe; 1 no-Ho)

Recessed at 10:48 a.m. and Reconvened at 11:01 a.m.

- e. NMHC Contract Amendments
Overview by Mr. Fukuhara regarding the NMHC contract amendments (see Consultant's report).
- f. Medicare Part D – Notice of Creditable Coverage
Overview by Mr. Fukuhara regarding the Notice of Creditable Coverage (see Consultant's report).
- g. Hoana Medical – LifeBed Patient Vigilance System
See discussion during Administrator's report.
- h. Out of State Retirees
Overview by Mr. Fukuhara regarding out of state retirees (see Consultant's report).
- i. Kaiser Final Rates – 7/1/2008
Overview by Mr. Fukuhara regarding Kaiser final rates (see Consultant's report). The final rates were received from Kaiser and will be presented at the January Board meeting. Kaiser would like to mirror the tier ratios that the Board will be deciding for the self insured plans. Once the ratios are decided, Aon will work with Kaiser to finalize the rates for their fully insured medical plans which will be presented at the January Board meeting.
- j. PPO Medical Plans
Overview by Mr. Fukuhara regarding the PPO medical plans (see Consultant's report). HMA provided a report that they will lower administrative fees if they reach certain enrollment numbers. In addition, HMA mentioned three changes for consideration for benefits to provide more of a difference from the HMSA medical plan.

Mr. Nimmer clarified the rates that will be presented shortly do not include any changes or recommended changes for consideration by HMA. They are the plans that are in place today.

- k. Retiree Medical & Dental Plan
Mr. Fukuhara stated Mr. Nimmer will present, for informational purposes, the differences between retiree medical and dental compared to the actives medical and dental plan.

Ms. Ruth Kim commented that she is speaking on behalf of Mr. George Yamamoto, HGEA retiree representative, who was not able to attend this meeting. He wants to inform the Board that the retirees prefer not to mirror the benefit changes of the actives' medical and dental plan as reflected in Aon's report because it will probably increase the costs. Ms. Kim said thank you for the consideration but if the better benefits are going to cost retirees out-of-pocket money, the retirees want to remain the same.

As suggested by the public and the Board during a prior meeting, Mr. Nimmer stated that Aon has done a financial analysis on what the financial impact would be if the Board was to consider this option. The retiree medical increase, medical portion only, would be approximately 7.5% based on Aon's internal model and population distribution. The retiree dental increase figures received from HDS was 24%. There were two follow-up questions from Trustees. First, what would be the impact on the overall GASB 43/45 liability that would result? The unfunded liability which is the present value of the benefits, the dental portion would equate to \$190 million dollars in additional liability and the medical portion would be approximately \$480 million dollars of additional liability. Second, what would be the annual cost to the plan? Present value figures to the annual cost to the plan, if the plan chooses to start at the annual contribution level, would be an additional \$13 million for the dental change and an additional \$35 million for the medical. Combined it would be approximately \$48 million a year under the GASB 43/45 legislation. Discussion held by Trustees and benefit consultant if it changes the ARC. Mr. Nimmer stated it does change the ARC and that it is based on the unfunded scenario as presented to DAGS and Auditors.

l. Aon Primary Consultant

This item will be addressed in Executive Session.

m. Aon – Optional Additional Services

This item will be addressed in Executive Session.

n. FY09 Rates

Aon's report on rate setting for FY 2009 dated November 29, 2008 was distributed to the Trustees that included a two-page summary on Aon's recommended rates for the EUTF plans, effective July 1, 2008, and one-page summary on Aon's recommendation for SHOPO Active, effective July 1, 2008, (see report and summaries). Overview by Mr. Nimmer regarding the FY 2009 rates. Discussion held by Trustees, staff, and benefits consultant regarding the FY09 rate options scenarios, rate setting options, and revenue increases. Discussion held by Trustees, staff, and benefits consultant regarding 10% increase for actives and 0% for retirees. Further discussion

held by Trustees and staff regarding the language for the 2nd year rates in the collective bargaining agreement.

MOTION was made for the Board to approve the rates and plan provisions as recommended by Aon. (Annis/Radcliffe) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

Mr. Nimmer reported that the Trustees requested a no change to current rates for SHOPO. Based on the SHOPO experience, SHOPO can sustain this recommendation, therefore; it falls in line with Aon's recommendation for no change to current rates for the SHOPO population.

MOTION was made for the Board to approve no change to current rates for SHOPO actives. (Kahooohanohano/Ching) (Employer Trustees-5/Employee-beneficiary Trustees-4)

o. Annual Report

Overview by Mr. Fukuhara regarding Aon's Annual Report. Mr. Williams explained the past practice of the Board regarding the procedure of submitting the report. Discussion held by Trustees and staff regarding the purpose of the Annual Report and deadlines. Mr. Williams stated that the report is not required by law but is a requirement of the contract. The deadline dates are internal. A copy of the Annual Report will be submitted to the Trustees tomorrow. It was clarified that it is Aon's Annual Report and it is reviewed by the Trustees as a courtesy

MOTION was made for the Board to review the Annual Report in December and have the final Annual Report presented at the January 2008 Board meeting. (Radcliffe/Ching) The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

p. Medicare Part B and D Rates Effective January 1, 2008

Overview by Mr. Fukuhara regarding the Medicare Part B and D rates effective January 1, 2008 (see Consultant's report). Aon is working with B&F and EUTF staff in developing the new numbers.

D. Financial Report as of September 30, 2007

Mr. Williams stated that the Trustees receive the EUTF financial report every meeting and the Auditors review and give their stamp of approval. In terms of numbers, the Trustees should not get any surprises in the audited financial statements from what is heard month to month from Ms. Tonaki.

Overview by Ms. Tonaki regarding the financial report as of September 30, 2007

(see financial reports).

E. Carrier's Reports

1. HDS
Written report submitted.
2. HMSA
Written report submitted. Overview by Mr. Tam regarding the Health Pass program.
3. HMA
Written report submitted.
4. Kaiser Permanente
No report submitted.
5. NMHC
Written report submitted.
6. Royal State Insurance
Written report submitted.
7. Standard Insurance
Written report submitted.
8. VSP
No report submitted.

V. UNFINISHED BUSINESS

- A. Diabetes Life Coaching Program-City & County of Honolulu
This item was addressed during the Administrator's report and has been deferred until the January Board meeting.
- B. Hoana Lifebed – Request for Reimbursement
This item was addressed during the Administrator's report.

VI. NEW BUSINESS

- A. Rates for PPO Medical Plans
This item was addressed during the Consultant's report.
- B. FY 2006-2007 Final Audit
This item was addressed during the Administrator's report.
- C. FY 2006-2007 EUTF Annual Report
Mr. Williams stated the Annual Report format follows previous years. The report reflects the benefit plans in place for FY 07, however, the decisions made were mentioned. This is a statutory requirement that is due in December and includes the audit report.

MOTION was made for the Board to approve the FY 2006-2007 EUTF Annual Report and authorize the administrator to make editorial changes. (Ching/Radcliffe)

The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

- D. Revised Retiree Open Enrollment and Plan Year Dates
This item was addressed during the Administrator's report.
- E. Prescription Drug Formulary
This item was addressed during the Consultant's report.
- F. Aon Primary Consultant
This item will be addressed in Executive Session.
- G. Optional Additional Services per Consultant Contract
This item will be addressed in Executive Session.
- H. Investment Consultant RFP
This item will be addressed in Executive Session.
- I. Annual Evaluation of Administrator
This item will be addressed in Executive Session.

- VII. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES
Presentation by Mr. John Garner on behalf of Tele-Doc. Discussion held by Trustees, staff, and Mr. Garner regarding local doctors on TelaDoc and concerns about Hawaii laws needing to have face to face appointments with doctors, TelaDoc available on the internet, and amount of doctors.

There being no objections by the Trustees, the EUTF staff will follow-up regarding Hawaii law for doctors having face to face appointments.

- VIII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE
Board meeting is scheduled for Wednesday, January 23, 2008, 9:00 a.m., EUTF conference room, 15th floor.

IX. EXECUTIVE SESSION

MOTION was made to go into Executive Session at 1:05 p.m. for the reasons stated on the agenda. (Radcliffe/Laderta) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

MOTION was made to move out of Executive Session at 1:34 p.m. (Ching/Annis) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

The Chair reported that the Board has taken the following actions in Executive Session:
1. Approval of October 24, 2007 Executive Session minutes.

2. Approval of Aon's Primary Consultant.
3. Approval of Investment Consultant RFP.

X. ADJOURNMENT

There being no objections by the Trustees, the meeting adjourned at 1:35 p.m.

Respectfully submitted,

/s/

Marie Laderta, Secretary-Treasurer

APPROVED on January 30, 2008.

Documents Distributed:

1. Draft Minutes for October 24, 2007. (10 pages)
2. Memorandum to BOT from Administrator regarding November Administrator Report dated 11/20/07. (3 pages)
3. Queen's Medical Center Report on LGI/Lifeguard Bed dated 11/23/07 and Abstract. (1/8pages)
4. Queen's Medical Center Poster "Automated Surveillance to Improve Patient Safety. (1 page)
5. City & County of Honolulu letter regarding Diabetes Life Coaching program dated 11/15/07. (1 page)
6. Letter to BOT from Aon Consulting regarding November 2007 Benefit Consultant Report dated 11/16/07. (3 pages)
7. Letter to BOT from Aon Consulting regarding Hoana proposal review dated 11/29/07. (1 page)
8. Aon Report on Rate Setting FY 2009 dated 11/29/07. (31 pages)
9. Summary – Aon Recommended Rates for the EUTF effective 7/1/08. (2 pages)
10. Summary – Aon Recommended Rates for SHOPO Active effective 7/1/08. (1 page)
11. EUTF Statement of Net Assets (Unaudited) dated 11/20/07. (1 page)
12. EUTF Combined Statement of Revenues and Expenses-Budget & Actual Comparison 3 Months Ended 9/30/07 (Unaudited) dated 11/20/07. (1 page)
13. EUTF Statement of Cash Flows 3 Months Ended 9/30/07 (Unaudited) dated 11/20/07. (1 page)
14. Letter Administrator from Garner Consulting regarding TelaDoc dated 10/11/07. (1 page)