

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees  
Wednesday, January 30, 2008

TRUSTEES PRESENT

Mr. Gerald Machida, Chairperson	Mr. Darwin Ching
Mr. George Kahooohanohano, Vice Chairperson	Ms. Elizabeth Ho
Ms. Marie Laderta, Secretary-Treasurer (arrived 9:18 am)	Mr. Lawrence Reifurth
Ms. Barbara Annis	Mr. Stanley Shiraki
Mr. Guy Fujio	

TRUSTEES ABSENT

Mr. John Radcliffe

ATTORNEY

Mr. Brian Aburano, Deputy Attorney General

EUTF STAFF

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

OTHERS PRESENT

Ms. Sara Ballard, NMHC	Ms. Ruth Kim, HSRTA
Ms. Sandra Benevides, Kaiser Permanente	Ms. Wanda Kimura, B&F
Ms. Teresa Collar, Standard Insurance	Ms. Mary Ellen Mitchell, NMHC
Mr. Linh Depledge, Royal State	Ms. Donna Higashi, HSTA-R
Ms. Monica Engle, VSP	Mr. Maurice Morita, HSTA
Mr. Kevin Fong, HDS	Ms. Gertrude Nitta, HGEA-R
Ms. Venus Gabuyo RSN	Mr. Tony Saguibo, HMSA
Ms. Susan Goya, HGEA-R	Ms. Pinali Sanghera, NMHC
Mr. Terry Harrison, NMHC	Ms. Rosemary Spraker, Gartner
Ms. Leslie Huffman, Standard Insurance	Ms. Lynn Shimono, Grant Thornton
Mr. Jun Jao, HMA	Ms. Cora Takato, C&C Honolulu
Ms. Bonnie Kahalewai, Standard Insurance	Mr. Rod Tam, HMSA
Mr. Jack Katahira, HGEA-R	Ms. Sharon Urada, HSTA-MBC
Ms. Margaret Lawrence, HMAA	Mr. Michael Yogi, C&C

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:00 a.m. by Trustee Gerald Machida, Chairperson, in EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Wednesday, January 30, 2008.

II. APPROVAL OF MINUTES

The Board reviewed the draft minutes for November 29, 2007.

There being no objections by the Trustees, the minutes for November 29, 2007 were approved as circulated.

### III. COMMITTEE REPORTS

#### A. Administrative Committee Report

Chair Annis gave an overview regarding the recommendations and suggestions presented in the Benefit Consultant Evaluation Report, prepared by Aon and transmitted to the Board on September 18, 2007. By prior agreement of the respective chairs and administrator, the items in the report were divided between the Administrative Committee and the Benefits Committee. Discussion held by Trustees, staff, and benefits consultant regarding items recommended by the Administrative Committee for approval.

The following items are recommended for approval by the Board:

#### **Cost Containment & Eligibility Corrections**

##### 3. Develop formal relationship with Med-Quest/Medicaid to share information for mutual participants.

Overview by Mr. Fukuhara regarding this item. Aon will coordinate with the EUTF.

MOTION was made by the Administrative Committee for the Board to authorize the administrator to develop a formal relationship with Med-Quest/Medicaid to share information for mutual participants subject to availability of staff resources. The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

#### **Service Improvements/Changes**

##### 2. Request HMSA and all carriers to investigate system enhancement to facilitate after-hour voice messaging.

MOTION was made by the Administrative Committee for the Board to authorize the administrator to request HMSA and all carriers to investigate system enhancement to facilitate after-hour voice messaging. The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

##### 4. Issue an RFP for COBRA administration.

Mr. Williams stated that COBRA is federal law and explained the procedures of the EUTF staff and carriers to comply with the law. Aon recommends approval to issue an RFP for COBRA administration and the EUTF staff supports Aon's recommendation.

MOTION was made by the Administrative Committee for the Board to authorize the administrator to issue an RFP for COBRA administration. The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

### **Collective Bargaining, Rule Changes and/or Legislation**

Overview by Mr. Fukuhara regarding student coverage for surviving dependents.

Discussion held by Trustees, staff, and benefits consultant regarding cost.

Recommendation is that the staff be directed to develop legislative proposals on the following items:

5. Allow student coverage for surviving dependents of retirees with no surviving spouse.
6. Allow student coverage for surviving dependents of employees killed in the line of duty. [Trustee Laderta arrived at 9:18 a.m.]

MOTION was made by the Administrative Committee for the Board to authorize the administrator to develop legislative proposals to allow student coverage for surviving dependents of retirees with no surviving spouse and student coverage for surviving dependents of employees killed in the line of duty. After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

### **Board/Governance**

Overview by Mr. Williams regarding developing a strategic plan and Trustee training.

1. Develop strategic plan.
2. Provide Trustee training.

MOTION was made by the Administrative Committee for the Board to develop a strategic plan and to authorize the administrator to draft policy based on current practice to provide Trustee training. The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

For the following items, the Administrative Committee requested that the staff (consultant, administrator, AG) develop a specific proposal for implementation and present it to the committee for consideration and recommendation to the full board:

### **Cost Containment & Eligibility**

1. Require/enforce student certifications.
5. Perform "rolling 12 months" investigation for other coverage.

### **Service Improvements/Changes**

7. Establish EUTF financial accounts.

### **Board/Governance**

5. Conduct self-assessments/evaluations.

The following items have already been completed:

**Service Improvements/Changes**

6. Request NMHC to have a single customer service number for actives and retirees.
9. Issue RFPs for a new phone system and customer relationship management (CRM) software to provide the tools needed to provide quality customer service.

The following items were discussed and will be considered at a future date (when more research and information is available or as otherwise appropriate) by the Administrative Committee:

**Cost Containment & Eligibility Corrections**

4. Enforce rules for retroactive terminations involving self-insured plans.
6. Identify and review duplicate medical plan payments over \$200.
7. Discuss procedures for advance and ongoing notification of pending large dollar hospital claims to ensure management reports and advance funding considerations are addressed.
8. Conduct claims and clinical audits of the self-insured medical and prescription drug plans.

**Retirees**

2. Develop procedures and rules for out-of-state retirees by November 30, 2007.  
This item is partially completed and still being researched.

**Service Improvements/Changes**

6. Treat all employers the same in regards to handling pretax deductions of employees' share of premiums.
8. Conduct an analysis of the adequacy of current EUTF staffing based on the complexities of administering today's plans.

**Board/Governance**

3. Coordination/collaboration with ERS.

The following item was previously addressed by the Board and will not be pursued by the Administrative Committee:

**Retirees**

1. Change contract period effective date from 7/1 to 1/1.

[this item was assigned to benefits committee, not administrative committee]

The following items will not be pursued by the Administrative Committee:

**Retirees**

1. Issue an RFP for retiree administration.

**Service Improvements/Changes**

1. Take the position of not implementing changes without first determining the readiness and impact of implementation and ensuring that communication of these changes are made to all interested parties well ahead of the effective date.

**Collective Bargaining, Rule Changes and/or Legislation**

1. Provide information to employers and unions for consideration of employer contributions based on a defined dollar amount per employee.
2. Another alternative is to set the employer contribution at 60% of the medical plan with the largest enrollment.
3. Provide information to employers and unions to consider employer contributions to Health Savings Accounts (HSAs).
4. Delay enrollment for surviving spouses and children after death of vested employee. [The Administrative Committee expressed strong objection to this item.]
7. Change the effective date for new hires to be effective the first day of the month, two months after date of hire (e.g., a person hired on 8/22 would be enrolled effective 10/1).
8. Develop and submit legislation for more independence. [Motion was made to support, but died for lack of second.]

**Board/Governance**

4. Review Act 88 for capabilities that have not been implemented.

**B. Benefits Committee Report**

Chair Ho gave an overview regarding the recommendations and suggestions presented in the Benefit Consultant Evaluation Report, prepared by Aon and transmitted to the Board on September 18, 2007. By prior agreement of the respective chairs and administrator, the items in the report were divided between the Benefits Committee and the Administrative Committee.

The following item is on the agenda for today's meeting (see consultant's report):

**NMHC & HMSA Drug Plans**

2. Remove the grandfathering of lower co-pays for people on HMSA's formulary prior to July 1, 2007 that are now enrolled in NMHC. The Benefits Committee voted to recommend that the grandfathering remain in place through June 30, 2009, as now recommended by Aon.

The following item has already been completed:

**NMHC & HMSA Drug Plans**

1. Review the process to establish the various administrative fees for the NMHC and HMSA self-insured drug plans.

The following items were discussed and will be considered at a future date (when new plan provisions are considered or as otherwise appropriate) by the Benefits Committee:

**NMHC & HMSA Drug Plans**

3. Move specialty/biotech drugs from medical plans to prescription drug plans.
4. Require prior authorization for Dispense as Written (DAW) prescriptions.
5. Negotiate rebate guarantees on a per prescription basis.

6. Obtain fees on a per member per month basis.
7. Increase generic dispensing rates.
8. Increase mail order usage.
9. Reevaluate mail order co-payment structure.
10. Negotiate guaranteed formulary savings by receiving rebates based on all prescriptions dispensed and a percent of total rebates collected.
11. Ensure that a zero balance pricing provision is not in place.

**Retirees**

5. Make the benefits for retirees the same as actives as long as the total cost of benefits is under the base monthly contribution (BMC).
6. Issue an RFP for a supplemental Medicare drug plan.

**Service Improvements/Changes**

5. Allow unbundling of medical and drug plans.

**Wellness Initiatives**

1. Expansion of Hawaii Business Health Council (HBHC) diabetes project.
2. Issue an RFP for tobacco cessation programs with no coinsurance or co-pays.
3. Provide incentives/rewards for completion of Health Risk Assessments (HRAs).

The following items were previously addressed by the Board and will not be pursued by the Benefits Committee:

**Cost Containment & Eligibility Corrections**

2. Offer one set of premiums per plan.

**Retirees**

3. Issue an RFP for group Medicare Advantage plans.

C. Evaluation Committee

This item will be addressed in Executive Session.

IV. OTHER REPORTS

A. Administrator

1. January Update (see written report)
  - a. PeopleSoft Support  
Overview by Mr. Nishihara regarding PeopleSoft support (see Administrator's report).
  - b. RFP No. 08-001 Benefits Administration System Implementation and Maintenance Services  
Mr. Williams stated the Board will consider award of the contract in Executive Session.
  - c. Replacement of the Automated Call Distribution (ACD) System  
Overview by Mr. Nishihara regarding replacement of the ACD system (see Administrator's report).

- d. Medicare Part D Prescription Drug Plan  
Overview by Mr. Nishihara regarding Medicare Part D Prescription Drug plan (see Administrator's report).
- e. 2008 Open Enrollment  
Overview by Mr. Nishihara regarding 2008 Open Enrollment (see Administrator's report). Due to low attendance and very few plan and benefit changes, sessions will not be held on Molokai and Lanai. The Administrator recommends that the Board approve holding the open enrollment period for active employees and, on a limited basis, for retirees beginning on April 14, 2008 and ending on May 14, 2008.

MOTION was made for the Board to approve the recommendation of the Administrator to hold the open enrollment period for active employees and, on a limited basis, for retirees beginning on April 14, 2008 and ending on May 14, 2008. (Annis/Kahoohanohano) The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

- f. Supplemental Budget Request FY 2009  
Overview by Ms. Tonaki regarding the supplemental budget request 2009 (see Administrator's report). Mr. Williams stated that the budget was presented to the Legislative committees.
- g. FY 2006-2007 Financial Audit  
Ms. Lynn Shimono of Grant Thornton presented revisions to the FY2006-2007 Financial Audit.

MOTION was made for the Board to approve the FY 2006-2007 Financial Statements as revised and presented by the Auditor. (Fujio/Annis) The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

- h. Request for Proposals (RFP) No. 08-002 to Furnish Investment Consultant Services  
Ms. Tonaki reported that RFP No. 08-002 was issued on January 7, 2008 and proposals are due March 3, 2008, 4:00 p.m. (HST). Notice was sent to twelve companies that the EUTF knew might be interested. Detailed questions may be addressed in Executive Session.
- i. Diabetes Life Coaching Program-City & County of Honolulu  
Mr. Williams stated that the City & County is in the process of preparing a Memorandum of Agreement and requested that this item be deferred until the next Board meeting.

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

j. Proposed Legislation

Overview by Mr. Williams regarding the 2007 House bills carried over (see update on House Bills Carried Over from 2007 Session dated 1/25/08). The administrator recommends that the Board oppose HB 29 until the Auditor completes the study requested in Concurrent Resolution SCR 178 approved by Legislature in 2007. Discussion held by Trustees and staff regarding HB 29 – makes VEBA Trust law permanent. HB 2012 – Mutual Benefit Societies; reimbursement of physicians; HB 2827 - EUTF funds, not to divert to general funds; and HB 3287 – EUTF, allows retirees to return without a break in service and requires employers to pay entire base monthly contribution to the EUTF.

MOTION was made for the Board to reaffirm the positions taken by the Board last year for the 2007 House bills carried over except for HB 29 and also for the Board to oppose HB 29 until the Auditor's study is completed. (Kahooohanohano/Ho) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

Overview by Mr. Williams regarding the 2007 Senate bills carried over bills (see update on Senate Bills Carried Over from 2007 Session dated 1/25/08)

MOTION was made for the Board to reaffirm the positions taken by the Board last year for the 2007 Senate bills carried over. (Ho/Kahooohanohano) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

Overview by Mr. Williams regarding House Bills introduced in 2008 Session (see House Bills Introduced in 2008 Session dated 1/25/08). Mr. Williams explained past procedures for submitting testimony to the legislature. Discussion held by Trustees and staff regarding years of service and cost impact for HB 3287. For EUTF, the bill would allow retirees to return regardless of a break in service and requires employers to pay entire base monthly contribution to the EUTF.

MOTION was made for the Board to approve that the EUTF take no position on HB 2012 and the administrator to monitor bill. (Ho/Annis) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

MOTION was made for the Board to approve that the EUTF take no position at this time on HB 2827 and the administrator to monitor and present any recommendation at the February Board meeting. (Annis/Ho) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

Overview by Mr. Williams regarding Senate Bills introduced in 2008 Session (see Senate Bills Introduced in 2008 Session dated 1/25/08). Discussion held by Trustees and staff regarding SB 2262 – VEBA Trusts.

MOTION was made for the Board to oppose SB 2262 and HB 29 and rescind the Board's prior decision on HB 29 (Shiraki/Annis) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

Mr. Williams stated that the rationale for this decision is established in SB 1142. The Board opposed SB 1142 because the Trustees believe that the EUTF can best provide health benefits for public employees and retirees and that VEBAs adversely affect the EUTF.

MOTION was made for the Board to take no position on SB 2827. (Annis/Fujio) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

Further discussion held by Trustees and staff regarding HB 3287 for the Board to take a position because of the unknown costs to the state

MOTION was made for the Board to oppose HB 3287 unless further information regarding costs impact is received. (Ching/Laderta) After discussion by the Trustees, the motion failed. (Employer Trustees-5 Yes-Annis, Ching, Laderta, Reifurth, Shiraki/Employee-beneficiary Trustees-2 Yes-Kahooahanohano, Machida, 2 No-Fujio, Ho)

Recessed at 10:40 a.m. and reconvened at 10:58 a.m.

B. DEPUTY ATTORNEY GENERAL: None

C. BENEFITS CONSULTANT

1. January Report

a. Information/Updates

1. Prescription Drug Plan – Communication Material

Overview by Mr. Fukuhara regarding the prescription drug plan – communication material (see Consultant's report).

2. Prescription Drug Plan – Grandfathering of HMSA Formulary  
Overview by Mr. Fukuhara regarding the grandfathering of HMSA formulary (see Consultant's report and handout). Aon recommends continuing the grandfathering of co-pays for formulary drugs through the end of the two-year contract ending June 30, 2009.

MOTION was made by the Benefits Committee for the Board to approve Aon's recommendation to continue the grandfathering of co-pays for formulary drugs through the end of the two-year contract ending June 30, 2009. The motion passed unanimously. (Employer Trustees-5/Employee-beneficiary Trustees-4)

3. Prescription Drug Plan – Mail Order Co-payment Change  
Overview by Mr. Fukuhara regarding the prescription drug plan – co-payment change (see Consultant's report).
4. Prescription Drug Plan – Specialty Drugs  
Overview by Mr. Fukuhara regarding the prescription drug plan – specialty drugs (see Consultant's report).
5. Prescription Drug Plan – Zyrtec-Over-the-Counter (OTC)  
Overview by Mr. Fukuhara regarding the prescription drug plan – Zyrtec-over-the counter (see Consultant's report). Discussion held by Trustees, staff, benefits consultant, and public regarding Zyrtec being available over the counter and if doctors were notified. Mr. Williams stated that the drug is over the counter so it does not involve doctors and Mr. Rod Tam agreed with Mr. Williams.
6. Prescription Drug Plan – Contract Amendments  
This item will be addressed in Executive Session.
7. Hoana Medical – LifeBed Patient Vigilance System  
Overview by Mr. Fukuhara regarding Hoana Medical – LifeBed Patient Vigilance System. Ms. Benevides from Kaiser stated that Kaiser did a study and had positive feedback from nurses.
8. Tela Doc  
Overview by Mr. Fukuhara regarding TelaDoc (see Consultant's report).
9. Newsletter and Website  
Overview by Mr. Fukuhara regarding the newsletter and website (see Consultant's report).

10. Reference Guide for Actives  
Overview by Mr. Fukuhara regarding the draft reference guide for actives (see Consultant's report).
11. HMA Administrative Fee Reductions  
Overview by Mr. Fukuhara regarding HMA administrative fees reductions (see Consultant's report and Exhibit).
12. HMSA – Summary of Changes  
Overview by Mr. Fukuhara regarding HMSA – Summary of changes (see Consultant's report and Summary of Changes).
13. Annual Report  
Overview by Mr. Fukuhara regarding the corrections and changes made to Aon's Annual Report [Trustee Laderta left at 11:26 a.m.] A final copy will be made available to the Trustees and public at the next Board meeting.

MOTION was made for the Board to receive and accept Aon's Annual Report for plan year 2006-2007 (Ho/Annis) The motion passed unanimously. (Employer Trustees-4/Employee-beneficiary Trustees-4)

14. Base Monthly Contribution (BMC)  
Mr. Fukuhara reported that the BMC will be revised and presented at the February Board meeting.
  15. IBNR Actuarial Certification  
Overview by Mr. Kindy regarding the IBNR. A letter from Aon regarding the IBNR dated December 18, 2007 was distributed to the Trustees.
- b. For Board Consideration and Action
1. Aon – Optional Additional Services  
This item to be addressed in Executive Session.
  2. FY09 Self-Insured Plans' Rates  
Overview by Mr. Kindy regarding minor changes in the FY09 self-insured plans' rates (see handout).  
  
MOTION was made for the Board to approve the revised rates for self-funded plans as presented (Ho/Ching) The motion passed unanimously. (Employer Trustees-4/Employee-beneficiary Trustees-4)
  3. FY09 Fully-Insured Plans' Rates  
Mr. Fukuhara reported that carriers included 2<sup>nd</sup> year rates in their

proposal except Kaiser. The Kaiser rates for the 2<sup>nd</sup> year and revised HDS rates for retirees will be addressed in Executive Session.

D. Financial Report as of November 30, 2007

Overview by Ms. Tonaki regarding the financial report as of November 30, 2007 (see financial reports). The IBNR is not reflected in this statement but will be included in the next statement. Ms. Tonaki stated that Hawaii County is ready to send approximately \$12 million for pre-funding OPEB. Mr. Williams stated that for the EUTF, pre-funding OPEB has moved from hypothetical to becoming real. All Counties are planning to pre-fund, so investment funds may accumulate quickly.

E. Carrier's Reports

1. HDS

Written report submitted.

2. HMSA

Written report submitted. Mr. Tam reported that John Jacobs is no longer with HMSA. Tony Saguibo has been promoted to Vice President. Mr. Tam also has been promoted to work solely on the EUTF account.

3. HMA

Written report submitted.

4. Kaiser Permanente

Written report submitted. Mr. Brandy Ching reported that Senior Advantage is not available on Molokai and Lanai; however, retirees that are eligible for Medicare and enroll in Kaiser Permanente will have Medicare primary on a fee-for-service basis.

5. NMHC

Written report submitted. Mr. Terry Harrison introduced Ms. Pinali Sanghara and Ms. Sara Ballard. Ms. Ballard will be working in the local office.

6. Royal State Insurance

No report submitted.

7. Standard Insurance

Written report submitted. Ms. Bonnie Kahalewai introduced Ms. Teresa Collar, Ms. Leslie Huffman, and Charlotte Riddle from Standard.

8. VSP

Written 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 next Board meeting.

VI. NEW BUSINESS

- A. RFP No. 08-001 Benefits Administration System Implementation and Maintenance Services  
This item will be addressed in Executive Session.
  
- B. Development of Guidelines and/or Policies Regarding Consideration of Benefits, Services, or Reimbursement for EUTF Self funded  
Trustee Reifurth expressed some uncertainty and was not comfortable with decision-making on technology which needs trained medical background and would like to develop guidelines for the Board to make these types of decisions. Trustee Annis explained guidelines must be similar to procurement to be able to treat everyone the same so there is no claim of mistreatment. Due to being self-funded now, the EUTF is open to many vendors coming in with proposals. Discussion held by Trustees and staff regarding concerns. There being no objections by the Trustees, this item is referred to the Administrative Committee.
  
- C. Aon Contract – Optional Additional Service for Open Enrollment  
This item will be addressed in Executive Session.
  
- D. Prescription Drug Plan Formulary (Grandfathered Drugs)  
This item was addressed during the Consultant's report.
  
- E. Aon Annual Report  
This item was addressed during the Consultant's report.
  
- F. Revised Self Insured Plan Rates  
This item was addressed during the Consultant's report.
  
- G. FY 09 Insured Plan Rates – Approval  
This item will be addressed in Executive Session.
  
- H. 2008 Open Enrollment April 14 – May 14, 2008  
This item was addressed during the Administrator's report.
  
- I. Positions on Legislative Issues  
This item was addressed during the Administrator's report.
  
- J. Annual Evaluation of Administrator  
This item will be addressed in Executive Session.

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

VIII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

The next Board meeting is scheduled for Wednesday, February 27, 2008, 9:00 a.m., EUTF conference room, 15<sup>th</sup> floor.

IX. EXECUTIVE SESSION

MOTION was made to go into Executive Session at 12:18 p.m. for the reasons stated on the agenda. (Annis/Ho) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

MOTION was made to move out of Executive Session at 1:18 p.m. (Ho/Fujio) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

The Chair reported that the Board has taken the following actions in Executive Session:

1. Approval of November 29, 2007 Executive Session minutes.
2. Approval of contract for Benefits Administration Systems Implementation and Maintenance Services pending required approvals.
3. Approval of Proposed Rates for Insured Plans.
4. Approval of Aon's Optional Additional Services for open enrollment assistance.
5. Approval of Administrator's Evaluation.

X. ADJOURNMENT

There being no objections by the Trustees, the meeting adjourned at 1:20 p.m.

Respectfully submitted,

/s/

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Marie Laderta, Secretary-Treasurer

APPROVED on February 27, 2008.

Documents Distributed:

1. Draft Minutes for November 29, 2007. (14 pages)
2. Memorandum to BOT from Administrator regarding January Administrator Report dated 1/23/08. (4 pages)
3. Memorandum to BOT from Administrator regarding Proposed Legislation dated 1/29/08. (6 pages)
4. Letter from City & County of Honolulu regarding Diabetes Life Coaching program due 11/15/07. (1 page)
5. Financial Statements and Report of Independent Certified Public Accountants, EUTF, 6/30/07. (46 pages)

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6. Letter to BOT from Aon Consulting regarding January 2008 Benefit Consultant Report dated 1/18/08. (4 pages)
7. Exhibit – NMHC Grandfathering T3 to T2. (2 pages)
8. Exhibit – Mail Service: Total/Average Paid (Brands) dated 1/23/08. (2 pages)
9. Draft EUTF Newsletter for Actives/Retirees, Issue #2. (4 pages)
10. Draft EUTF Enrollment Guide Plan Year 2009 for Actives Effective 7/1/08. (23 pages)
11. Letter from HMA, Inc. to Aon regarding Administrative Services Fee dated 10/8/07. (1 page)
12. HMSA Prescription Drug Benefits Rider, Summary of Changes Effective 1/1/08 dated 1/23/08. (5 pages)
13. Self-Insured Rates for Actives and Retirees dated 1/29/08. (3 pages)
14. Draft Aon Consulting's Annual Report Plan Year 2006-2007, 1/30/08. (61 pages)
15. EUTF Statement of Net Assets (Unaudited) dated 1/20/08. (1 page)
16. EUTF Combined Statement of Revenues and Expenses-Budget & Actual Comparison 5 Months Ended 11/30/07 (Unaudited) dated 1/22/08. (1 page)
17. EUTF Statement of Cash Flows 5 Months Ended 11/30/07 (Unaudited) dated 1/22/08. (1 page)
18. Letters to Senate President and Speaker regarding transmittal of EUTF Annual Report dated 12/26/07. (1 page)
19. EUTF Annual Report FY 2006-07, December 2007. (8 pages)
20. Letter from Queen's Medical Center regarding reimbursements for lifebed to EUTF members dated 11/21/07. (1 page)