

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Wednesday, June 17, 2009

TRUSTEES PRESENT

Ms. Marie Laderta, Chairperson (left at 11:15 am)	Dr. Carl Daeufer
Ms. Barbara Annis, Vice Chairperson	Mr. Guy Fujio
Ms. Elizabeth Ho, Secretary-Treasurer	Mr. George Kahooohanohano
Mr. Ron Boyer	Mr. John Radcliffe
Mr. Darwin Ching	Mr. Stanley Shiraki

TRUSTEES ABSENT: None

ATTORNEY

Ms. Robyn Chun, Deputy Attorney General

EUTF STAFF

Mr. James Williams, Administrator	Mr. Timothy Nimmer, Consultant
Mr. Lawrence Nishihara	Mr. Mark Fukuhara, Consultant
Ms. Kathleen Shiroma	Mr. Justin Kindy, Consultant
Ms. Donna Tonaki	Ms. Joni Tamayo-Wilson, Consultant

OTHERS PRESENT

Ms. Nikki Bassett, informedRx (NMHC)	Mr. Jack Katahira, HGEA-R
Ms. Sandra Benevides, Kaiser Permanente	Ms. Ruth Kim, HSRTA
Ms. Monica Engle, VSP	Ms. Wanda Kimura, B&F
Ms. Elaine Fujiwara, HDS	Ms. Alice Kotake, HSTA-R
Ms. Venus Gabuyo RSN	Ms. Doreen Kuroda, DHRD
Ms. Susan Goya, HGEA-R	Ms. Gertrude Nitta, HGEA-R
Ms. Vanelle Hirayasu, HMA	Mr. Rod Tam, HMSA
Ms. Fran Kagawa, HGEA-R	Ms. Valerie Trechter, Kaiser Permanente
Ms. Bonny Kahalewai, Standard Insurance	Mr. John Wadahara, HGEA-R

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:00 a.m. by Trustee Marie Laderta, Chairperson, in EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Wednesday, June 17, 2009.

Chair Laderta announced that Deputy Attorney General Robyn Chun is sitting in for Deputy Attorney General Russell Suzuki who had another commitment today.

II. APPROVAL OF MINUTES

The minutes of April 1, 2009 and April 28, 2009 were reviewed.

There being no objections by the Trustees, the minutes of April 1, 2009 were approved as circulated.

The minutes of April 28, 2009 are amended as follows: page 12, line 35, between “the” and “in” add “plan”.

There being no objections by the Trustees, the minutes of April 28, 2009 were approved as amended.

III. OTHER REPORTS

A. Administrator

1. June Update (see written report)

a. PeopleSoft Support

Overview by Ms. Shiroma regarding PeopleSoft support (see Administrator’s report).

b. Vitech Systems Group, Inc. – V3 Benefits Administration System Implementation

Overview by Ms. Shiroma regarding V3 Benefits Administration System Implementation (see Administrator's report).

c. IT Support by Gartner, Inc. –SPO Approved Vendor

Overview by Ms. Shiroma regarding IT support by Gartner, Inc. (see Administrator's report).

d. RFP for Dependent Eligibility Audit During FY 2009

Overview by Mr. Williams regarding the RFP for dependent eligibility audit (see Administrator’s report). The first Evaluation Committee will be held on June 26, 2009. The Evaluation Committee members will include Trustees Ching and Kahooahanohano.

e. RFP for Insured Proposals for EUTF Self-Funded Medical Plans

Overview by Mr. Williams regarding the RFP for insured proposals for EUTF self-funded medical plans (see Administrator’s report). The first Evaluation Committee meeting will be held on July 16, 2009. All Trustees will be Evaluation Committee members.

f. Furloughs of EUTF Employees

Overview by Mr. Williams regarding furloughs of EUTF employees (see Administrator’s June report) and Administrator’s report on “State of Hawaii’s Proposed Furlough Plan”). Discussion held by Trustees, staff and deputy attorney general regarding if discussion should be held in Executive Session due to personnel issues. Ms. Chun stated it depends on the level of authenticity and what about furlough plans will be discussed. The topic in and of itself does not appear to be confidential. Mr. Williams summarized his report to the Board regarding the “State of Hawaii’s Proposed Furlough Plan”. The EUTF has not received any responses to his requests. Mr. Williams

informed Director Kawamura that his understanding of Chapter 87A, is that any directive to furloughs for EUTF employees would need to be done by the Board of Trustees. The suggested motion to be considered by the Board would be to approve EUTF participation by all EUTF employees in the State of Hawaii work furlough plan according to the plan formulated by the Director of Finance for the Department of Budget and Finance and attached agencies. Even though the administrator does not recommend the adoption of this motion, he recommends the Board to consider it. Mr. Williams continued his summary of his report regarding the State of Hawaii proposed furlough plan. Mr. Williams stated that the EUTF managers will present their assessment of the impact of the proposed furlough plans on the EUTF. Overview by EUTF manager Kathleen Sharma regarding her assessment of the impact of the proposed furlough plans on the EUTF (see report). Trustee Annis stated that the issue is whether the Trustees have the legal right to vote yes or no or can override the Governor's proclamation when it is made. Trustee Annis expressed when that issue is determined then the problems that the EUTF will have can be addressed. Trustee Radcliffe asked if the Governor made a proclamation. Chair Laderta stated that the Governor is in the process of issuing an Executive Order. Trustee Laderta stated that all other State agencies and attached agencies have been preparing for this implementation and that it will affect every department. State agencies are handling their operations differently but every department and attached agencies will do a part in it. Discussion held by Trustees regarding Chapter 87A, Section 24-4 and other statutes that interplay with the EUTF personnel procedures. Chair Laderta stated that the EUTF attorney will need to advise the Board. Discussion held by Trustees that if the EUTF employees were furloughed it would not save the State money and regarding Chapter 87A, Section 30-31.

MOTION was made for the Board to approve EUTF participation by all EUTF employees in the State of Hawaii work furlough plan according to the plan formulated by the Director of Finance for the Department of Budget and Finance and attached agencies. (Radcliffe, Daeufer)

Trustee Shiraki asked what would happen if the Board voted on this issue and the motion failed. Ms. Chun stated she does not know what the Board's authority is to make this kind of decision. There is a legal issue that she does not know the answer to and is not prepared to give an opinion. The Board can make a formal request in writing to the Attorney General's office for a legal opinion. Discussion held by Trustees regarding concerns if the State starts to deduct from payroll on July 1, 2009 and the furlough is not implemented it would be unfair for employees to continue to work full-time. Mr. Williams stated his recommendation and position is clear but if there is no injunction and directive to the contrary and it is clear that the EUTF employees are going

to have their pay reduced then the EUTF will close on Fridays. He is not talking about a civil protest but brought it to the Board because he believes it is their business. The point is not to do some kind of protest that would put the EUTF employees in jeopardy or have them work and not get paid. At the very least he would like the Board to know about the impact and as stated he believes it is the Board's business. Trustee Ching stated concerns that if furloughs are not implemented there may be lay-offs and that the concept is sharing the pain. Everyone takes a little hurt for the greater good. Discussion held by Trustees regarding concerns that the Board may not have the right to approve this motion. Trustee Fujio stated July 1st is coming up soon and that by having this vote at least the Trustees are aware and making a conscious effort to assist the administrator in doing his job. That is what the Board is supposed to be doing. Chair Laderta expressed concern that if there is an injunction there may be lay-offs. Trustee Kahooohanohano stated regarding comment that everyone must share and expressed concerns that the Governor knew about this months ago and should have issued an Executive Order, got the Attorney General's opinion, why this has not been negotiated and why politics are being brought to this Board. It is running the risk of the participants in their plans because of politics. What is more disturbing is that the Governor and all the Attorney Generals have not come up with a solid opinion. They knew they were going down this line months ago ever since she put out the plans for all the mayors and they did not go along with it. This Board should stop playing politics because that is what the Trustees are doing and it is not the Trustees job to do that. Everything so far this Board has done is reactionary to politics coming across and maybe all of the Trustees are on the verge of avoiding our fiduciary responsibilities. Trustee Kahooohanohano also questioned about the furloughs being announced two months ago but still there is no Executive Order. Yet the Board is saying we will go with what we think is there, and never mind what the other person is thinking. The deputy attorney general is asked but she is not prepared and she is not to blame because she is here for the first time but this matter was brought up several times and still the Attorney General's office did not come up with an answer. Trustee Ching clarified that abstaining shall not be counted as either a vote for or against a matter before the Board.

MOTION RESTATED for the Board to approve EUTF participation by all EUTF employees in the State of Hawaii work furlough plan according to the plan formulated by the Director of Finance for the Department of Budget and Finance and attached agencies. After discussion by the Trustees, the motion failed. (Employer Trustees-1 YES-Ching, 4 Abstain-Annis, Boyer, Laderta, Shiraki/Employee-Beneficiary Trustees-5 NO-Daeufer, Fujio, Ho, Kahooohanohano, Radcliffe)

g. Extension of Benefit Plans and Special Limited Open Enrollment Period for Active Employees

Overview by Mr. Williams regarding the extension of benefit plans and special limited open enrollment period for active employees (see Administrator's report).

h. Accounting Issues

Overview by Ms. Tonaki regarding several debts from CMS. Ms. Tonaki stated that she and the administrator met with Kaiser. Kaiser indicated that these outstanding debts were not rendered through Kaiser. Medicare is now trying to recoup those costs through the employer (State, counties) instead of the provider (see Administrator's report). Mr. Williams stated he is concerned that there will be misunderstandings by other departments and eventually in the media. Mr. Williams explained that if you are in Kaiser you should go to a Kaiser facility, if you are in Kaiser and submit a claim to HMSA they will reject that claim. CMS should have rejected the claim; they know that the person in Senior Advantage Plan went to a non-Senior/non-facility but for some reason they paid it. From Kaiser's point of view, they are not involved in the transaction. Any other carrier would recover that directly from the provider because they probably know they paid the provider (hospital or doctor). Hospitals or doctors would get multiple payments, so you find out you paid that you should not have, the next month you deduct and explain why. Then the hospital or doctor would then bill the patient. CMS is not doing that, they are coming back to the plan and employer and saying we paid the claim wrong so you owe us. It is not ethical but they are doing it and further more in the past you could straighten it out but now CMS is saying now you owe us, we are going to make a federal payment to the Department of Health (DOH) so we are going to subtract it from the DOH payment. DOH is out the money, the EUTF does not have the ability to collect and we are out on a limb trying to figure out how to resolve it. The EUTF will continue to report to the Board and try to resolve this problem. The EUTF is also having discussions with what happens when it is resolved but the deduction is already made from DOH and how do we get the money back to them. It is not the EUTF, Kaiser or HMSA's doing. The way CMS is handling it is onerous and it is a nation wide problem. Ms. Tonaki stated most of the cases outstanding with HMSA also are in dispute but even if it is in dispute, CMS still will intercept the payment. CMS has intercepted payment from the DOH and the City & County of Honolulu. Discussion held by Trustees and staff regarding the approximate amount involved. Ms. Tonaki stated it is approximately \$40,000. Discussion held by Trustees and staff regarding if the EUTF is keeping our federal delegation informed because this is a national federal problem. Mr. Williams stated the EUTF has not yet done so. If these were

normal times and we were not dealing with three RFPs, furloughs, special open enrollment and the Vitech project, the EUTF would have already scheduled a meeting. Eventually, the EUTF will need to talk to the federal delegation. Discussion held by Trustees and staff regarding if CMS is supposed to be primary. Mr. Williams stated in most cases CMS is primary and they pay. There are some exceptional cases where they are not and CMS initially pays primary and realizes they are not supposed to be and then they want to recover the money. Ms. Tonaki stated that the EUTF relies on the carriers to go back and forth disputing why it should have been primary. Mr. Williams stated these are things that normally would not come to the Board. The carriers would work it out for the EUTF and it would eventually get resolved. When CMS started doing deductions it became a major problem.

i. Investment Program Development

Update by Ms. Tonaki regarding the investment program development (see Administrator's report). Mr. Williams stated that most Trustees responded that they are available except for Trustee Daeufer. There being no objections by the Trustees, the Investment Committee meeting will be held on July 7, 2009 from 1:00 – 4:00 p.m.

Recess at 10:11 a.m. and Reconvened at 10:10 a.m.

j. Proposed Rule Change

Overview by Mr. Williams regarding the revisions to the proposed rule change. A copy of the redline version of the revisions to the proposed rule changes were distributed to the Trustees today (see Administrator's June report and Administrator's report regarding the revisions of the proposed rule changes). Discussion held by Trustees and staff regarding a comment received by the County of Maui regarding the 30 day rule being too stringent. Mr. Williams stated the concern about the 30 day rule being too stringent has to do with dropping other coverage, and the EUTF rule already allows that anyway. The person who wrote that is not familiar with the EUTF rules. Mr. Williams stated the EUTF recommended a date of October 1st and reassessed that because the Vitech system is going live in the middle of September. The systems staff from Vitech and EUTF are very nervous about implementing changes very close to when the system goes live. The EUTF is recommending that the date be pushed back effective December 1, 2009. Even if this is not a major deviation from what was already sent out, the administrator is recommending that this revision be sent for consultation to employer and employee organizations so they would have a chance to give input on this version of the proposed rule change. Discussion held by Trustees and staff regarding actual premium and deduction dates.

MOTION was made for the Board to approve the revisions to the proposed rule changes, including the proposed effective date of December 1, 2009 and seek comments from employers and employee organizations. (Kahooohanohano/Radcliffe) After discussion by Trustees, the motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

- k. Preparation of RFP for Self-Funded Prescription Drug Plans' Claim Audit
This item will be addressed in Executive Session.
- l. Department of Health Initiative on Worksite Wellness
Overview by Mr. Williams regarding worksite wellness initiated by the Department of Health (see Administrator's report).
- m. Recruitment for Vacant Positions
Update by Mr. Williams regarding the recruitment for vacant positions and the request of Chair Laderta for staff to look at the alternative of an 89-day non-civil service appointment (see Administrator's report). Mr. Williams reported that the EUTF submitted the request to B&F. He has been advised that the request for 89-day hire proposal will be returned without action by Budget and Finance because it would involve the same process as the request to fill the position that was already submitted.

- B. Project Oversight and Risk Management Assessment – Gartner, Inc.
Presentation by Ms. Rosy Sparker of Gartner, Inc. Discussion held by Trustees, staff and Ms. Sparker regarding which role is the most important, filling the IT position and possibility of contracting out. Ms. Spraker stated that each role is important.

Mr. Williams reported, with the assistance of Chair Laderta and Trustee Annis, the Governor approved the Supplemental Contract for Aon to assist with open enrollment. The approval did not include the web site development and assistance with facilities. The Governor also approved the two-year contract extension with Aon that the Board approved a couple of months ago.

- C. Dispute Resolution – Mediation Update
Chair Laderta reported that she has nothing new to report. No mediation meetings were held since the last meeting.
- D. Deputy Attorney General
Ms. Chun stated that she has nothing to report.
- E. Benefits Consultant
 - 1. June Report
 - a. Hoana Lifebed

Overview by Mr. Fukuhara regarding Hoana Lifebed (see Consultant's report). The report will be ready at the July 15, 2009, therefore, Aon recommends that the Board extend the benefit for another month through July 31, 2009 and revisit the issue at its Board meeting on July 15, 2009.

MOTION was made for the Board to approve to extend the benefit for another month through July 31, 2009 subject to report and to revisit the issue at its Board meeting on July 15, 2009. (Annis/Radcliffe) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

- b. informedRx Contract Negotiations
This item will be addressed in Executive Session.

- c. informedRx 3 Month Grace Period for Reference Based Pricing
Mr. Fukuhara stated that the EUTF Implementation Status report by informedRx was distributed to the Trustees today. Overview by Ms. Bassett regarding the EUTF Implementation Status report. Discussion held by Trustees and Ms. Bassett regarding if informedRx is working with HMA/HMSA and other carriers regarding coordination of benefits. Ms. Bassett stated they are trying to work with HMA and HMSA regarding the coordination of benefits. Mr. Williams stated he thinks Trustee Fujio wants to know if informedRx is working with other carriers like UHA and HMAA. Ms. Bassett stated that informedRx has not but is open to contacting them. Mr. Williams clarified that Ms. Bassett is responding in terms of mail order because that is the only area which is really an issue. Also, she mentioned the reason why she was working with HMA and HMSA was due to the fact that specialty drug benefits are converting from the EUTF HMSA and HMA medical plans to the EUTF prescription drug plan. The implementation of this change only involves HMA and HMSA because specialty drug claims through June 30, 2009 are covered under the PPO medical plans. Discussion held by Trustees and Ms. Bassett regarding most people not knowing about the change to Ascend for specialty drugs and phone calls. Ms. Bassett stated that letters were sent out and informedRx received a lot of returned mail. Mr. Williams asked if the Ascend program is patient specific. Ms. Bassett stated that is correct. Mr. Williams asked to clarify that before a phone call is made, a letter is sent out. Ms. Bassett stated that is correct. Mr. Williams stated the household should have received a letter prior to the phone call.

Mr. Fukuhara stated that given the number of clinical changes and the impact of the 3-day furlough, Aon is concerned about the high volume of "noise" that may arise resulting in a high volume of phone calls to the EUTF and informedRx. Aon is recommended that the Board approve a 2 month grace period for reference based pricing so that it will be effective September 1, 2009.

MOTION was made for the Board to approve a 2 month grace period for reference based pricing so that it will be effective September 1, 2009. (Fujio/Ho) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

d. Performance Guarantees

Overview by Mr. Fukuhara regarding the report on performance standards and guarantees (see Consultant's report and report on performance guarantees). Discussion held by Trustees and benefits consultant regarding why the reporting on 2008 performance standards was not done until now. Mr. Fukuhara stated Aon has been focused on the rates for various benefit options and other related matters which delayed the presentation until now. Also, a couple of carriers did not submit their reports until fairly recently. Discussion held by Trustees and benefits consultant regarding a suggestion that may be a performance standard for carriers should be submitting reports on time.

e. Self-Funded Plans IBNR and Utilization Reports

Overview by Mr. Nimmer regarding the self-funded plans IBNR that was distributed to the Trustees today. Mr. Nimmer reminded the Board that this is an incurred but not yet paid reserve. Aon recommends that the Board approve the IBNR in the amount of \$43,577,000 as presented by the benefits consultant including a 5% margin as of March 31, 2009 and for Aon to provide an off cycle IBNR reserve next month.

MOTION was made for the Board to approve the IBNR in the amount of \$43,577,000 as presented by the benefits consultant including a 5% margin as of March 31, 2009 and for Aon to provide an off cycle IBNR reserve next month. (Fujio/Ho) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

Overview by Mr. Nimmer regarding the EUTF Utilization Report, 7/1/08-3/31/08. Mr. Nimmer stated there were several discussions regarding the utilization of the plan at each Board meeting. The overall results are consistent with those discussions. The one item discussed during the past presentation was the impact of higher utilization. What Aon is seeing nationwide is every State plan Aon works with, due to the uncertainty of the economy and continued employment, specifically in Hawaii would be the uncertainty of furloughs, layoffs and potential plan changes. All States are grappling with these issues now. Aon is noticing an increase in voluntary procedures. These may be procedures that individuals have put off. Aon is noticing the day to day utilization increasing. Utilization for things such as

accidents and heart attack have not been impacted. Further updates will be provided next month.

Chair Laderta left at 11:15 a.m. and Trustee Annis is Chair.

F. Financial Report as of April 30, 2009

Overview by Ms. Tonaki regarding the financial report as of April 30, 2009 (see financial reports). Ms. Tonaki stated on the Statement of Net Assets, under the retained earnings, the unrestricted net assets are \$24.3 million and that amount was reduced by approximately \$5.6 million from the last monthly statement of March 2009. The loss is due to the claims increase for the self-funded plans. There is one expense that the EUTF recorded which is for 50% of Brian Aburano's salary that ERS billed from July to April. Discussion held by Trustees and staff regarding why the EUTF is paying for Brian Aburano. Mr. Williams stated Russell Suzuki attends the meetings but Brian Aburano does the underlying work like the proposed rule changes and the contracts.

G. Carrier's Reports

1. HDS
Written report submitted.
2. HMSA
Written report submitted.
3. HMA
Written report submitted.
4. informedRx (NMHC)
Written report submitted.
5. Kaiser
No written report submitted.
6. Royal State Insurance
No written report submitted.
7. Standard Insurance
Written report submitted.
8. VSP
No written report submitted.

IV. UNFINISHED BUSINESS

A. Self-Funded Plans Rates and Benefits for 2010 Plan Year
No action taken.

B. Fully-Insured Plan Rates (Kaiser, Royal State, ChiroPlan, HDS, VSP, Standard) for 2010 Plan Year
This item will be addressed in Executive Session.

- C. informedRx Contract Revisions
This item will be addressed in Executive Session.
- D. Procurement of Pharmacy Benefit Manager
This item will be addressed in Executive Session.
- E. Proposed Rule Change Section 5.00
This item was addressed during the Administrator's report.
- F. Hoana Lifebed Benefit Provision
This item was addressed during the Consultant's report.
- G. Open Enrollment Dates
There being no objections by the Trustees, this item is deferred.

V. NEW BUSINESS

- A. Extension of Benefit Plans and Rates through September 30, 2009

MOTION was made for the Board to approve extension of the benefit plans and rates previously approved through September 30, 2009. (Boyer/Ho) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

- B. Proposed Work Furlough Plan
This item was addressed during the Administrator's report.

- C. FY 2010 Board Meeting Schedule
The proposed FY 2010 board meeting schedule was in the Board's packet. Due to conflicts in schedules with Aon, the Administrator recommended that the proposed November 4, 2009 Board meeting be changed to October 28, 2009.

MOTION was made for the Board to approve the proposed FY 2010 Board meeting schedule as presented, subject to the revision by the Board at a later date. (Daeufer/Fujio) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

- D. Election of Officers

Trustee George Kahoohanohano was nominated for chairperson. (Radcliffe)

MOTION was made to close nomination. (Radcliffe/Fujio). The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Trustee George Kahoohanohano was elected chairperson by virtue of being the only trustee nominated for that position.

Trustee Guy Fujio was nominated for vice-chairperson. (Radcliffe)

MOTION was made to close nomination. (Radcliffe/Daeufer). The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Trustee Guy Fujio was elected vice-chairperson by virtue of being the only trustee nominated for that position.

Trustee Stanley Shiraki was nominated for secretary-treasurer. (Boyer)

MOTION was made to close nomination. (Boyer/Annis). The motion passed. (Employer Trustees-3 YES-Annis, Boyer, Ching; 1 NO-Shiraki/Employee-Beneficiary Trustees-5)

Trustee Stanley Shiraki was elected secretary-treasurer by virtue of being the only trustee nominated for that position.

MOTION was made for the Board to reappoint the current slate of Administrative/Benefits Committee members as follows: Administrative Committee Members – Barbara Annis, Carl Daeufer, Guy Fujio, George Kahoohanohano, Marie Laderta, Stanley Shiraki; Benefits Committee Members – Ronald Boyer, Elizabeth Ho, Darwin Ching, George Kahoohanohano, John Radcliffe, Stanley Shiraki. (Radcliffe/Fujio) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

MOTION was made for the Board to reappoint the current slate of Investment Committee members as follows: Barbara Annis, Ronald Boyer, Darwin Ching, Carl Daeufer, Guy Fujio, George Kahoohanohano, Elizabeth Ho, Marie Laderta, John Radcliffe, Stanley Shiraki. The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

- E. Participate in IFEBP 55th Annual Conference in Orlando, Florida, November 8,-11, 2009
Discussion held by Trustees and staff regarding the value of attending these conferences.

MOTION was made for the Board to approve participation by all Trustees, two staff members and the deputy attorney general in the IFEBP 55th Annual Conference in Orlando, Florida, November 8-11, 2009. (Kahoohanohano, Radcliffe) The motion failed. (Employer Trustees-1 YES-Shiraki, 2 NO-Annis, Boyer, 1 ABSTAIN-

Ching/Employee-Beneficiary Trustees-2 YES-Kahoohanohano, Radcliffe, 2 NO-Fujio, Ho, 1 ABSTAIN-Daeufer)

- F. RFP for Self-Funded Prescription Drug Plans' Claim Audit
This item will be addressed in Executive Session.
- G. Administrator Contract – Clarification of Terms
This item will be addressed in Executive Session.
- H. informedRx 3 Month Grace Period for Reference Based Pricing
This item was addressing during the Consultant's report.
- I. Self-Funded Plans IBNR Evaluation as of 3/31/09
This item was addressed during the Consultant's report.

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

VII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

- A. July 15, 2009 – Regular Board meeting at 9:00 a.m.

Chair Annis stated that this meeting will be recessed and if the Board does meet earlier than the next regular Board meeting, the EUTF will do its best to notify the public.

VIII. EXECUTIVE SESSION

MOTION was made to go into Executive Session at 11:23 a.m. for the reasons stated on the agenda. (Daeufer/Ho) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-5)

Executive Session adjourned at 12:58 p.m.

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

1. Approval of February 25, 2009, March 30, 2009, April 1, 2009 and April 28, 2009 minutes.
2. Approval of draft RFP for Claims Audit.
3. Approval of authorization for Aon to negotiate contract with informedRx subject to final approval by the Board.

IX. SPECIAL ORDER OF BUSINESS: DISPUTE RESOLUTION – MEDIATION CONDUCTED BY FEDERAL MEDIATOR REGARDING ALL AGENDA ITEMS
None

X. ADJOURNMENT

There being no objections by the Trustees, the meeting recessed.

Respectfully submitted,

/s/

Elizabeth Ho, Secretary-Treasurer

APPROVED on August 26, 2009 as amended.

Documents Distributed:

1. Draft Board Minutes of April 1, 2009. (14 pages)
2. Draft Board Minutes of April 28, 2009. (15 pages)
3. Memorandum to BOT from Administrator regarding June Administrator Report dated 6/10/09. (5 pages)
4. EUTF Benefits Administration System Project Assessment Report 5 for the Period: March 1 – April 30, 2009 submitted 6/4/09 by Gartner. (12 pages)
5. Letter to BOT from Aon Consulting regarding June 2009 Benefit Consultant Report dated 6/12/09. (2 pages)
6. EUTF Performance Summary Reports dated 6/12/09 by Aon Consulting. (7 pages)
7. EUTF Utilization Report 7/1/08-3/31/09 by Aon Consulting. (33 pages)
8. EUTF Implementation Status Report by informedRx dated 6/8/09. (2 pages).
9. Letter to Administrator from Aon Consulting Regarding State of Hawaii – 3/31/09 Reserve Estimates dated 6/12/09. (3 pages)
10. EUTF Statement of Net Assets (Unaudited) dated 6/2/09. (1 page)
11. EUTF Combined Statement of Revenues and Expenses-Budget & Actual Comparison 10 Months Ended 4/30/09 (Unaudited) dated 6/2/09. (1 page)
12. EUTF Statement of Cash Flows 10 Months Ended 4/30/09 (Unaudited) dated 6/2/09. (1 page)
13. Letter to Administrator from Hoana dated 6/10/09. (1 page)
14. Revised Proposed Rules Change for 5.00. (13 pages)
15. Letter from HGEA Regarding Proposed Rules Changes dated 5/7/09. (1 page)
16. Letter from UPW Regarding Proposed Rules Changes dated 5/6/09. (1 page)
17. Letter from DOE Regarding Proposed Rules Changes dated 4/29/09. (1 page)
18. Letter from OHA Regarding Proposed Rules Changes dated 4/27/09. (1 page)
19. Letter from City & County Regarding Proposed Rules Changes dated 5/6/09. (1 page)
20. Letter from HSTA Regarding Proposed Rules Changes dated 5/7/09. (1 page)
21. Letter from DHRD Regarding Proposed Rules Changes dated 5/4/09. (1 page)
22. Letter from UH Regarding Proposed Rules Changes dated 5/4/09. (1 page)
23. Letter from JUD Regarding Proposed Rules Changes dated 4/27/09. (1 page)
24. Response to JUD Regarding Proposed Rules Changes dated 4/29/09. (1 page)
25. Letter from County of Maui Regarding Proposed Rules Changes dated 4/20/09. (1 page)