

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, July 10, 2012

TRUSTEES PRESENT

Mr. Dean Hirata, Chairperson	Ms. Celeste Nip
Ms. Barbara Krieg, Vice Chairperson	Ms. Luis Salaveria
Ms. Linda Currivan Musto	Mr. Clifford Uwaine
Ms. Loretta Fuddy	

TRUSTEES ABSENT

Ms. Audrey Hidano	Ms. Karolyn Mossman
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ATTORNEY

Mr. Kyle Chang, Deputy Attorney General

EUTF STAFF

Ms. Barbara Coriell, Administrator	Mr. Tom Morrison, Benefits Consultant (via conference call)
Ms. Sandra Yahiro, Assistant Administrator	Mr. Robert Mitchell, Benefits Consultant (via conference call)
Ms. Maria Quartero	Ms. Donna Tonaki
Ms. Bonny Kahalewai	Ms. Nicole Wong
Ms. Kathleen Shiroma	

OTHERS PRESENT

Ms. Monica Engle, VSP	Mr. Tony Malone, HMSA
Mr. Christian Fern, HMSA	Ms. Lynne Miura, Royal State
Mr. Kevin Fong, HDS	Mr. Lawrence Nishihara, Retiree
Mr. Mark Fukuhara, ABC, LLC	Ms. Brenda Shiroma, BPS
Ms. Nandana Kalupahana, Hse Finance	Mr. Vaughn Tokashiki, HSTA-R
Ms. Mae Kishimoto, HSTA-R	Mr. Troy Tomita, Kaiser Permanente

I. CALL TO ORDER

The meeting of the Board of Trustees was called to order at 9:01 a.m. by Trustee Dean Hirata, Secretary-Treasurer, in EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Tuesday, July 10, 2012.

II. SWEARING IN OF NEW BOARD MEMBERS

Trustees Linda Currivan Musto and Luis Salaveria were sworn in by Trustee Hirata.

III. ELECTION OF OFFICERS/COMMITTEES

Overview by Trustee Hirata regarding the procedures for election of officers. Only two Trustees can meet and more than two Trustees may not meet in person or on the phone.

Recessed at 9:07 a.m. and Reconvened at 9:08 a.m.

Trustee Dean Hirata was nominated for Chairperson. (Krieg)

MOTION was made to close nomination. (Fuddy/Salaveria). The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Trustee Dean Hirata was elected Chairperson.

Trustee Barbara Krieg was nominated for Vice-Chairperson. (Hirata)

MOTION was made to close nomination. (Fuddy/Salaveria). The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Trustee Barbara Krieg was elected Vice-Chairperson.

Trustee Linda Currivan Musto was nominated for Secretary-Treasurer. (Uwaine)

MOTION was made to close nomination. (Nip/Uwaine). The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Trustee Linda Currivan Musto was elected Secretary-Treasurer.

There being no objections by the Trustees, the EUTF staff will provide the Board with a list of Administrative, Benefits, and Investment Committee members at the next Board meeting. Chair Hirata requested that Sandi Yahiro coordinate with the Board on committees they would want to serve. Ms. Barbara Coriell announced that a Benefits Committee is scheduled for Monday, July 30, 3012.

IV. FY13 BOARD MEETING SCHEDULE

Discussion held by Trustees and staff regarding the 4th Tuesday of the month being the best day for most Trustees. Further discussion held by Trustees, staff and member of the public that March 26, 2013 is a State holiday (Kuhio Day). The EUTF secretary, Ms. Maria Quartero, will poll Trustees to re-schedule the March 26, 2013 meeting.

MOTION was made for the Board to approve the draft FY13 Board Meeting Schedule dated 6/01/12 with amendment to re-schedule the March 26, 2013 meeting. (Fuddy/Salaveria) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

V. HGEA MOST FAVORED NATION IMPLEMENTATION

Overview by Ms. Barbara Coriell regarding the agreement with the Hawaii Government Employee Association (HGEA) regarding the most favored nation provision and the EUTF's involvement in assisting with reimbursements by providing data only. At this time, there will not be additional cost to the EUTF for their assistance. Discussion held by Trustees and staff regarding the reimbursements, the EUTF is not exempted because it is not 100% Trust Funds, and how exemptions were determined. Trustee Uwaine expressed

his concern and that the Board should take a position that the EUTF should be exempted at least half of the year because the labor cost savings of 5 percent were already taken for the first year (50 percent of Administrative fees came from the general fund) but the other 50 percent for the second year is not taken because it came from the employee. Discussion held by Trustees, staff and deputy attorney general regarding what authority the Board has for the EUTF. The Employee Retirement System (ERS) is exempt from the 5 percent reduction. Further discussion for advice from the deputy attorney general will be discussed in Executive Session.

Member of the public, Vaughn Tokashiki stated that he is glad that the Board is meeting today because he was concerned about the prescription drug transition. The EUTF staff has been assisting him.

VI. INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEBP) 58th ANNUAL EMPLOYEE BENEFITS CONFERENCE

Discussion held by Trustees and staff regarding attendance at the IFEBP conference. The EUTF staff will confirm which Trustees will be able to attend. A total of 12 are in the EUTF budget.

MOTION was made for the Board to approve participation in the IFEBP 58th Annual Employee Benefits Conference by all Trustees (including those who may be appointed at a later date), Deputy Attorney General Kyle Chang, and to include EUTF Administrative staff for any open slots available for a total of 12 as budgeted. (Fuddy/Uwaine) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

VII. EXECUTIVE SESSION

MOTION was made for the Board to move into Executive Session at 9:45 a.m. for the reasons stated on the agenda. (Nip/Salaveria) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

Executive Session adjourned at 10:40 a.m.

Chairperson Hirata reported that the Board has taken the following actions in Executive Session.

1. Approval of two (2) Appeals to enroll new born.
2. Denial of one (1) Appeal of Medicare Part B retroactive reimbursement.
3. Denial of one (1) Appeal to enroll new born and spouse.

VIII. RECOMMENDATIONS REGARDING RETIREES NOT ENROLLED IN MEDICARE PART B

Overview by Ms. Barbara Coriell regarding the requirements of retirees to enroll in Medicare Part B and the EUTF recommendations (see memorandum to Board originally dated June 6, 2012, redline version dated July 9, 2012). Discussion held by Trustees and

staff regarding grandfathering retirees, penalties assessed if not enrolled in Medicare Part B within a certain time, total amount of letters to be sent, retirees living abroad, wording and time limit of the letter to the retirees, and to address retirees that had no reason not to enroll at the July 24, 2012 Board meeting. The Board recommends amending the letter to include wording that “coverage will be terminated by September 1, 2012 if the EUTF does not hear from you”, “you may submit an appeal by August 15, 2012” and in the box at the top of the letter to include “will be cancelled” and date “by August 15, 2012” and to send by certified mail return receipt requested. Discussion held by staff and member of the public, Vaughn Tokashiki regarding how the EUTF would communicate to the retirees that are unable to reply, may be in a care/nursing home, etc. Ms. Bonny Kahalewai reported the following numbers: (1) 54 with life insurance only; and (2) 25 with either dental, vision, or life insurance only. Ms. Coriell stated it may be beneficial to the EUTF to waive the Medicare Part B enrollment for those that only have dental, vision or life insurance. Discussion held by Trustees and staff regarding HRS, Chapter 87A-23(5) that states, “The Board shall determine which of the employee-beneficiaries and dependent-beneficiaries, who are not enrolled in the Medicare Part B medical insurance plan, may participate in the plans offered by the fund.” It gives the Board some latitude regarding Medicare Part B enrollment

MOTION was made for the Board to approve to send the letter to retirees that do not have record of enrollment in Medicare Part B with amendments as recommended by the Board. (Fuddy/Krieg) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

IX. ADJOURNMENT

There being no objections, the meeting adjourned at 11:22 a.m.

Respectfully submitted,

/s/

Linda Currivan Musto, Secretary-Treasurer

APPROVED on August 28, 2012 as amended.

Documents Distributed:

1. EUTF Board of Trustees Draft FY13 Meeting Schedule dated 6/1/12. (1 page)
2. Memorandum to BOT from Administrator Regarding Medicare Part B Enrollment Project originally dated 6/6/12, redline version dated 7/9/12. (10 pages)