

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Rules Committee Meeting  
May 30, 2002

TRUSTEES PRESENT

Mr. Davis Yogi, Chairperson                      Mr. Willard Miyake

TRUSTEES ABSENT

Mr. Clifford T. Uwaine,                              Mr. Neal Miyahira  
Vice-Chairperson

ATTORNEY:

Mr. Brian Aburano, Deputy Attorney General

HEUHBTF STAFF:

Ms. Shirley Kawamoto                              Mr. Gary Sanehira  
Ms. Wanda Kimura                                      Ms. Karen Tom

OTHERS PRESENT:

Ms. Marion Akamine – HGEA-Retirees	Mr. Maurice Morita – HSTA
Mr. George Butterfield – HSTA-Retired	Ms. Sarah Moriyama – ORTA
Ms. Charlotte DeWitt – HSTA-Retired	Ms. Jan Munemitsu – Department of Health
Ms. Odetta Fujimori – HSTA-Retired	Mr. Gordon Murakami – Royal State
Mr. Richard Fujimoto – HGEA-Retirees	Ms. Karen Muronaka - HSTA-Retired
Mr. Al Hamai – HGEA-Retirees, HARA	Ms. Toshi Nakasone – HGEA-Retirees
Mr. Elver Higashi – HGEA-Retirees	Ms. Gertrude Nitta – HGEA-Retirees
Mr. Vincent Ho – Hawaii Health Systems Corporation	Mr. Francis Oshiro – HGEA-Retirees
Mr. Paul Honzik – HGEA-Retirees	Ms. Karen Otaguro – HGEA-Retirees
Ms. Grace Ing – HSTA-Retired	Mr. Tom Otaguro – HGEA-Retirees
Ms. Tina Kali – Hawaii Health Systems Corporation	Ms. Miyoko Shimoda – HGEA-Retirees
Hitoe Y. Kamn – HGEA	Ms. Ethel Shintaku – HGEA-Retirees
Mr. Jack Katahira – HGEA-Retirees	Ms. June Takenaka – HGEA-Retirees
Ms. Su Chon Kim – ORTA	Ms. Amy Yasuda - UH
Ms. Lois Kobashigawa – HGEA-Retirees	Mr. Elmer Yuen – HGEA Retirees
Ms. Janet Lam – HGEA-Retirees	Mr. George Yamamoto – HGEA-Retirees

I. CALL TO ORDER

The meeting of the Rules Committee was called to order when there was a quorum at 1:35 p.m. by Mr. Davis Yogi, Chairperson, in Conference Room 303, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on Thursday, May 30, 2002.

II. APPROVAL OF MINUTES: The minutes of May 23, 2002 were not ready for review.

III. NEW BUSINESS

Item A. RETIREE SESSION – RULES ON MEDICARE PART B REIMBURSEMENTS

The Chair stated that the Committee received numerous letters of communication from retirees which included angry statements. There were also numerous phone calls to the Chair's office that accused the Chair of eliminating the Medicare Part B reimbursement. The Chair indicated that it appears that the retirees who were contacted were misinformed and that the issue discussed during the last meeting had been incorrectly communicated.

Mr. Butterfield explained that he contacted some of the other retirees who regularly attend the meetings to let them know that this special meeting was to get input on whether or not to have a rule regarding the reimbursement since the current PEHF rule provides that the reimbursement is automatic. He informed them that either: 1) they would support having a rule or something written that a reimbursement would occur, or 2) be silent on it, then the Board would decide how to use the money; whether to use it as reimbursement or cover administrative costs or if premiums started to exceed the cap to help bring down cost of premiums – that there were options. If people had an interest in having a rule or not have a rule, they should come to the meeting.

The Chair indicated that the testimonies received did not reflect what Mr. Butterfield had stated. The comments provide the impression that the Trust is trying to take away what the statute is providing. The Chair stated that he is disturbed that the Trust has been undermined by persons providing misinformation; the Trust has been forthcoming and open in listening to the concerns of the retirees. The Chair stated that there is a responsibility when communicating and we have to be accurate when communicating. The Chair asked Mr. Butterfield to correct and clarify this with the retirees to whom he had communicated.

There was public comment that the retirees have been threatened for many years regarding this issue and they are very emotional, passionate, and sensitive about this issue. In response, Trustee Miyake commented that he hoped retirees will help make sure the legislature understands their concerns and amend the law to protect this benefit for retirees.

Deputy Attorney General Aburano was asked how the Erie County decision related to the issue of Medicare reimbursement. Mr. Aburano said that the Erie County decision held that the ADEA was not violated if an employee benefits plan satisfied certain safe harbor requirements. With respect to retirees under and over age 65, the safe harbor requirements are that: 1) the employee benefits plan provide the same benefits to retirees under and over age 65 even if such is provided at different costs to those retirees, or 2) the sponsor of the employee benefits plan pays the same costs for the coverage of retirees under and over the age of 65 even if such coverage involves different benefits. The Medicare reimbursement issue pertains to how much the sponsor of the Trust's benefits plan is paying for the coverage of retirees over the age of 65, i.e., those eligible for Medicare.

There was public comment about why the law mandates that all retirees must join Medicare Part B. Mr. Aburano commented that he understood that the requirement was for cost savings. He also reported that according to the Legislative Auditor's Report, only 16 states actually gives Medicare Part B reimbursements.

In response to public comment that the current \$50 reimbursement does not match the current cost of Medicare Part B, the Committee discussed that in 2004, the rate cap set by law may be increased. In response to concerns about the cost of sending reimbursement checks to retirees when they may have to turn around and send some of that money back for administrative costs or premium contributions, Mr. Aburano said that the Trust could try to draft a rule that would permit retirees to authorize the Trust to offset all or any portion of their Medicare reimbursement to pay any amount they owed to the Trust.

MOTION was made to have a rule concerning the Medicare Part B reimbursement.  
(Miyake/Yogi)  
Discussion: None.  
Vote: Unanimously passed.

The Committee discussed having a rule on collection from employer.

IV. NEXT MEETING:

The next meeting is scheduled for Wednesday, June 5, 2002, 9 a.m., Leiopapa a Kamehameha, Conference Room 405, to discuss the proposed amended language to the EUTF concept rules.

V. ADJOURNMENT:

Motion to adjourn. (Miyake/Yogi)  
Discussion: None.  
Vote: Unanimously passed.

Meeting adjourned at 2:55 p.m.

Respectfully submitted,

/s/

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Davis Yogi, Chairperson

APPROVED on August 27, 2002.

Documents Distributed:

1. PEHF Rule §6-34-8. (1 page)
2. Testimony dated May 24, 2002 by Gertrude Nitta, HGEA Retirees Unit. (1 page)
3. Testimony dated May 28, 2002 by Karen Muronaka, HSTA-R. (1 page)
4. Testimony e-mail dated May 24, 2002 by Beverly C. Johnston, HSTA-R Kauai Chapter. (1 page)
5. Testimony e-mail dated May 24, 2002 by Inez Butterfield. (1 page)
6. Testimony e-mail dated May 27, 2002 by Hajime Kuwada. (1 page)
7. Testimony dated May 30, 2002 by Karen Ginoza, HSTA. (1 page)
8. Testimony dated May 30, 2002 by Odetta Fujimori. (1 page)
9. Testimony fax'd dated May 29, 2002 by Ruth P. Kim, HSTA-R. (1 page)
10. Testimony e-mail dated May 29, 2002 by Joe Y. Tanaka, HSTA-R Hawaii District. (1 page)
11. Testimony fax'd dated May 29, 2002 by Flo Nakama, HSTA-R Maui County District Council. (1 page)