

Trustee Yogi noted that the issue of “hanai” children will be taken to the Board for discussion.

2. Ms. Deppe-Mariota commented that for Rule 5.02(e) the effective date of coverage for newborns should be the date of birth to ensure that any medical expenses incurred after the baby’s birth would be covered.

Rules 5.02 and 5.03 will be amended to eliminate the choice of effective date for coverage of a newborn to ensure immediate coverage of a newborn.

3. J. Tobin, City and County of Honolulu, commented that Rule 1.12 does not provide consideration for the board to waive an employer’s compliance with a rule or consider the employer’s concerns in the waiver of a rule for an employee-beneficiary.

The Committee indicated that employers would have the opportunity to express their concerns during the board meeting in which the waiver issue would be discussed.

4. Ms. Tobin commented that Rule 2.02 provides no obligation by the board to consult with public employers on standards, policies and procedures, however, by Rule 1.13, court action could be taken for the enforcement of such standards, policies, and procedures on employers.

The Committee discussed the board’s obligation to consult on policies, standards, and procedures issued by the board. Trustee Yogi suggested that Ms. Tobin’s comment be placed in writing and submitted during consultation on the rules.

5. J. Aoki, retiree, pointed out a typographical error in numbering of subsections in Rule 5.02.
6. T. Morrison, The Segal Company, commented that Rule 5.04(c) conflicts with §87A-23(3) which does not provide for an exclusion of reimbursements to a retiree who is reimbursed for Medicare Part B costs by another agency or entity. The statute provides that the employer contribute an amount for the voluntary Medicare supplemental insurance. There is no specific provision regarding the receipt of duplicative reimbursements.

The Committee discussed the intent of §87A-23 and the difficulty in enforcing a rule that would seek to prevent the receipt of duplicative reimbursement benefits.

MOTION was made to delete section 5.04(c). (Miyake/Yogi) The motion was unanimously passed.

The Chair requested that subsection (c) be moved to the comments section of the document for discussion with the Board. Staff will check with the PEHF on its process in enforcing its comparable rule.

R. Kim, retiree, commented that the Medicare Part B cost is now \$54, however, the reimbursement is only \$50.

G. Butterfield, retiree, commented that the Medicare Part B premium is determined annually in January. However, the PEHF does not adjust the Medicare reimbursement amount for retirees until July 1. As such, the retirees are subject to a six-month delay in receiving any adjusted increase in their reimbursements.

7. G. Murakami, Royal State, stated that he would prefer to submit written comments later after his review of the proposed rules.
8. N. Crowell, HSTA MBC, sought clarification of Rule 3.01(a)(4) as to whether the law requires that a surviving unmarried child be under the age of 19 to qualify as an employee-beneficiary; and Rule 6.03 as to whether an employee who voluntarily canceled coverage to enroll in a non-Trust Fund plan could re-enroll if the employee lost coverage under that non-Trust Fund plan. The Committee indicated that the eligibility under Rule 3.01(a)(4) complies with the statutory requirement and for Rule 6.03, an employee would be eligible to re-enroll under Rule 5.02(c).
9. A. Yasuda, UH Human Resources, commented that the University of Hawaii has a group of non-employees who are covered under the part-time, temporary, and seasonal employee definition (graduate assistants) and asked if the Committee could consider establishing an eligibility requirement in Rule 3.01 that includes qualification under the Employees' Retirement System.

The Chair responded that he had already informed the University of Hawaii that it is empowered to make its own decisions on how to handle graduate assistants.

10. Mr. Aburano addressed the alternative paragraphs presented in Rule 1.07(d)(5) for consideration by the Committee. He indicated that in addressing the two-thirds voting requirement found in statutes such as the public meeting law, there are three approaches that could be taken: 1) the board has only two votes as provided by Chapter 87A, HRS (one for each trustee group), and the two-thirds voting requirement is satisfied by an affirmative vote of those two votes even if less than two-thirds of the trustees vote in favor of the proposed action; 2) each of the ten trustees has a vote and the two-thirds voting requirement is satisfied by a vote of two-thirds of all the trustees present even if less than three trustees in one trustee group voted in favor of the proposed action; and 3) the requirements of both Chapter 87A, HRS, and the public meetings act were combined.

MOTION was made to delete the second alternative that the two-thirds vote is based on a percentage of the trustees present. (Miyake/Yogi) The motion was unanimously passed.

J. Aoki, retiree, suggested alternatives for a voting procedure that incorporated both the one-one and two-thirds majority voting process.

- B. The Committee reviewed the written comments on selected rules in the document.
1. Rule 4.01(b) comments are deleted as the PEHF indicated that this requirement was no longer necessary since enrollment in Medicare Part B became statutorily required for retirees.
 2. Rule 4.02(b) comment is deleted as re-enrollment is covered by other rules.
 3. Rule 5.02 comment is amended to be a note of intent on the effective dates proposed. The Committee discussed the staff's concern for having a single effective date of coverage for ease of automation.

G. Murakami, Royal State, commented that effective date and premium due dates are different issues.

RECESS: 11:40 a.m. to 1:10 p.m.

Public attending the afternoon session were: Mr. Butterfield, Mr. Ho, Ms. Muronaka, Ms. Tobin, and Ms. Yasuda.

4. Rule 5.03(d) comment is deleted. The Committee discussed the issue of having a rule concerning student coverage if the Trust Fund does not offer a student benefit plan. The intent of the rule was not to dictate benefit design but to provide the parameters of a dependent-beneficiary which could include students up to age 25.
5. Rule 6.01(b) comment is revised to indicate that the rule is written broadly so that the Trust Fund may seek payment of premium contributions during a labor strike. The Committee discussed the issue of premium collections during a labor strike situation. Rule 6.01(b) was revised to include a statement that nothing in this rule is meant to modify or waive the Fund's right to collect contributions owed by the employer or employee-beneficiary. This rule is intended to keep the Trust Fund neutral and ensure that premiums are collected. Related revisions were made to Rule 1.13.
6. Rule 6.02 example is incorrect and will be corrected. The Committee discussed the issue of when premiums are due. The rule was amended so that the cancellation of coverage due to a contribution shortage is the last day of the second pay period following the date the payment is due.

RECESS: 3:10 p.m. to 3:20 p.m.

Staff reviewed the revisions made to the concept rules based upon the changes agreed upon in the previous meetings. The changes are in Ramseyer format with deleted text enclosed in brackets and new text underscored.

IV. NEXT MEETING:

The Committee will present the proposed rules to the board at its next meeting on June 14, 2002. A Rules Committee meeting has not been scheduled.

V. ADJOURNMENT:

MOTION was made to adjourn the meeting. (Miyake/Yogi)
The motion was passed unanimously.

Meeting adjourned at 3:55 p.m.

Respectfully submitted,

/s/

Davis Yogi, Chairperson

APPROVED on August 27, 2002.

Documents Distributed:

1. Comparison of Rules Committee Recommended Rules with Current Health Fund Administrative Rules, draft dated May 30, 2002. (65 pages)
2. Approved minutes of April 23, 2002 Rules Committee Meeting. (3 pages)