

**HSTA VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION TRUST  
BOARD OF TRUSTEES MEETING  
September 11, 2010  
Ilikai Hotel – Oahu Suite**

**ACT 245 BENEFITS – MEETING MINUTES**

**I. CALL TO ORDER**

Joan Lewis, Chair called the meeting to order at 9:05 a.m.

**PRESENT**

Joan Lewis, Chair  
Liane Auyong-Imamura, Trustee  
Beverlee Chip, Trustee  
Gayle Enriquez, Trustee  
Robert Gilmore, Trustee  
Catherine Kalehuawehe, Trustee  
Peter Nakashima, Trustee  
Terrie Simpson, Trustee  
Justin Wong, Trustee  
James K. Tam, Counsel  
Paul Tom, Consultant  
Robert Glaza, ATPA  
Rod Shinno, Trust Administration  
Susan Pestana, Trust Administration

**GUEST**

Paul Alston, Alston, Hunt, Floyd & Ing  
David Nakashima, Alston, Hunt, Floyd & Ing  
Stephen Tannenbaum, Alston, Hunt, Floyd & Ing  
Wilbert Holck, HSTA  
Vaughn Tokashiki, HSTA R

**II. APPROVAL OF MINUTES**

**ACTION:** (Wong/Kalehuawehe) Move/second to approve the Board of Trustees Meeting Minutes dated May 8, 2010.

**MOTION UNANIMOUSLY CARRIED.**

**III. REPORTS**

6 **1. Trust Administration**  
7

8 Rod Shinno presented the following:  
9

- 10 1. Income Statements and Disbursements for the months of April 2010, May  
11 2010 and June 2010.

12  
13 **ACTION:** (Chip/Simpson) Move/second to accept the Income  
14 Statements for the months of April 2010, May 2010 and June 2010,  
15 subject to audit.  
16

17 **MOTION UNANIMOUSLY CARRIED.**  
18

- 19 2. Multiple meetings have been held with the EUTF Administration to  
20 discuss issues related to the transfer of VEBA Active and Retired  
21 Participants. Of concern to the EUTF is the cost they will incur to  
22 reprogram their system to accept the information and files from ATPA.  
23 Sandy Yahiro (EUTF Assistant Administrator) stated she will be calling  
24 HSTA and the VEBA Trust Chair and asking them to pick up the cost for  
25 program changes needed for the EUTF system.  
26 Mr. Shinno reminded the Trustees that back in year 2005/2006, VEBA  
27 Administration paid for all the cost incurred when programming changes  
28 were needed in order to accept and process the information received from  
29 the EUTF.  
30

31 Chair Lewis informed the Board that she spoke earlier with HSTA  
32 President Wil Okabe and they both agreed that VEBA and HSTA will not  
33 pay the EUTF for any cost the EUTF incurs to transfer the VEBA  
34 participants to the EUTF.  
35

36 **ACTION:** (Chip/Simpson) Motion/second to authorize the VEBA Trust  
37 Administration to provide the EUTF with a Master Eligibility File  
38 containing a list of all (1) Active and (2) Retired participants in a standard  
39 industry format. And, ATPA will provide a letter with the file to address  
40 ATPA's ongoing cooperation, cost to the EUTF to have ATPA revise the  
41 standard industry file format, confidentiality, privacy and other pertinent  
42 issues.  
43

44 **MOTION UNANIMOUSLY CARRIED.**  
45  
46

6 **2. Consultant**  
7

8 Paul Tom, Consultant informed the Trustees he would be reviewing the reports in  
9 his cover Memorandum dated September 1, 2010. A copy of the reports is  
10 inclusive in the Trust Board Reports dated September 11, 2010.  
11

12 12 Months Budget to Actual Review for the period July 1, 2009 – June 30, 2010.  
13

14 Mr. Tom distributed a copy of his report titled 4-Year Financial & 5 Year  
15 Statistical Summary Report for the periods 03/01/06 – 06/30/10 and reviewed the  
16 information with the Trustees.  
17

18 Interim Accounting for the period July 1, 2008 – June 30, 2009 for the Active  
19 Primary Self-Funded Plans Total Plan Deficit of (\$3,860,344)  
20

21 Interim Accounting for the period July 1, 2008 – June 30, 2009 for the Active  
22 Self-Funded Supplemental (dual) Plans Total Plan Surplus of \$16,040  
23

24 Interim Accounting for the period July 1, 2008 – June 30, 2009 for the Retiree  
25 Self-Funded Plans Total Plan Deficit of (\$619,187)  
26

27 Interim Accounting for the period July 2009 – June 30, 2010 for the Active  
28 Primary Self-Funded Plans Total Plan Surplus of \$4,352,297  
29

30 Final Accounting Summary for the period July 1, 2008 – June 30, 2009 for the  
31 HDS Dental Plans:  
32

33 Actives Primary Plan Deficit of (\$20,822)  
34

35 Actives Dual Plan Surplus of \$38,920  
36

37 Retirees Plan Deficit of (\$122,216)  
38

39 Final Projected Budget for the period July 1, 2010 – December 31, 2010.  
40

41 Mr. Tom also distributed a revised handout from HMA dated July 26, 2010,  
42 whereby HMA is requesting Trust approval to contract with Hawaii Life Flight  
43 (formerly Hawaii Air Ambulance & AirMed Hawaii) to establish new eligible  
44 charges effective July 15, 2010. Mr. Tom informed the Trustees that Hawaii  
45 Life Flight is the only fixed wing air ambulance carrier in Hawaii.  
46

6 **ACTION:** (Wong/Auyong-Imamura) Move/second to approve the new air  
7 ambulance rates for Hawaii Life Flight effective July 15, 2010, as presented by  
8 the Consultant and recommended by HMA.  
9

10 **MOTION UNANIMOUSLY CARRIED.**  
11

12 Mr. Tom reviewed the following items and advised the Trustees that no action is  
13 required from the Trust:  
14

- 15 • HMA letter dated July 7, 2010, regarding their Provider Network  
16 Performance for 2009.
- 17
- 18 • HMSA letter dated June 29, 2010, regarding the Mental Health Parity Act  
19 and respective plan benefit changes effective July 1, 2010 for the fully  
20 insured Active and Retiree plans.  
21

22 Mr. Tom advised the Trustees that based on earlier action taken at previous Board  
23 meetings, the Plan Documents for the Actives Medical Plan administered by  
24 HMA were amended as follows:  
25

- 26 1. Amendment to the Self-Funded Comprehensive Medical Plan Document  
27 (Actives) - In accordance with the Mental Health Parity and Addiction  
28 Equity Act of 2008; amendment effective July 1, 2010.  
29

30 **ACTION:** (Auyong-Imamura/Nakashima) Move/second to approve the  
31 amendment to the Self-Funded Comprehensive Medical Plan Document  
32 for Actives in accordance with the Mental Health Parity and Addiction  
33 Equity Act of 2008 effective July 1, 2010, as recommended by the  
34 Consultant.  
35

36 **MOTION UNANIMOUSLY CARRIED.**  
37

- 38 2. Amendment to the Self-Funded Comprehensive Medical Plan Document  
39 (Actives) - In accordance with Michelle's Law; amendment effective  
40 January 1, 2010.  
41

42 **ACTION:** (Wong/Chip) Motion/second to approve the amendment to the  
43 Self-Funded Comprehensive Medical Plan Document (Actives) in  
44 accordance with Michelle's Law effective January 1, 2010, as  
45 recommended by the Consultant.  
46

6 **MOTION UNANIMOUSLY CARRIED.**  
7

- 8 3. Amendment to the Self-Funded Comprehensive Medical Plan Document  
9 (Actives) to reflect the change in the Maximum Lifetime Benefit (from  
10 \$1,000,000) to \$1,100,000, effective July 1, 2009.  
11

12  
13 **ACTION:** (Nakashima/Simpson) Move/second to approve the  
14 amendment to the Self-Funded Comprehensive Medical Plan Document  
15 (Actives) to increase the Maximum Lifetime Benefit to \$1,100,000  
16 effective July 1, 2009, as recommended by the Consultant.  
17

18 **MOTION UNANIMOUSLY CARRIED.**  
19

20 Mr. Tom discussed the report “Mainland Provider Eligible Review – August 11,  
21 2010” for Claim #1 (UCSF Medical Center) and Claim #2 (Henry Mayo Newhall  
22 Memorial Hospital).  
23

24 **ACTION:** (Auyong-Imamura/Wong) Move/second to approve payment for the  
25 two (2) Out-of-State claims based on the Re-Price Allowable amounts, as  
26 recommended by HMA and presented by the Consultant.  
27

28 **MOTION UNANIMOUSLY CARRIED.**  
29

30 Mr. Tom recommended discussions be deferred concerning the “Mainland Policy  
31 and Procedures” regarding the handling of Network Access, Prior Authorization  
32 and Claims Processing & Payment (for the Self-Funded Plan administered by  
33 HMA).  
34

35 Mr. Tom discussed some of the many provision of the Patient Protection and  
36 Affordable Care Act. Of primary concern is the extension of dependent coverage  
37 to age 26, which Mr. Tom advised would have applied to the Trust’s Active Plans  
38 effective July 1, 2011. Further, Mr. Tom informed the Trustees that the  
39 dependent coverage provision does not apply to the Retiree Plans.  
40 ATPA was requested to post information on extended dependent coverage on the  
41 VEBA website for participants to access.  
42

43 Mr. Tom distributed a copy of the Drug Utilization Report prepared by  
44 Pharmaceutical Strategies Group (the Pharmacy Benefit Manager) for the Self-  
45 Funded Drug Plan administered by Catalyst Rx.  
46

6 **3. Benefits & Appeals Committee**  
7

8 **ACTION:** (Chip/Simpson) Motion/second to approve the Benefits & Appeals  
9 Committee Meeting Minutes dated May 20, 2010.

10  
11 **MOTION UNANIMOUSLY CARRIED.**  
12

13 **ACTION:** (Wong/Nakashima) Motion/second to approve the Benefits &  
14 Appeals Committee Meeting Minutes dated June 10, 2010.

15  
16 **MOTION UNANIMOUSLY CARRIED.**  
17

18 **ACTION:** (Kalehuawehe/Wong) Motion/second to approve the Benefits &  
19 Appeals Committee Meeting Minutes dated July 13, 2010.

20  
21 **MOTION UNANIMOUSLY CARRIED.**  
22

23 **4. Finance Committee**  
24

25 **ACTION:** (Nakashima/Chip) Motion/second to approve the Finance Committee  
26 Meeting Minutes of August 21, 2010.

27  
28 **MOTION UNANIMOUSLY CARRIED.**  
29

30 Meeting recessed at 10:55 a.m.

31  
32 Meeting reconvened at 11:05 a.m.  
33

34 **5. Chair's Report**  
35

36 **ACTION:** (Wong/Auyong-Imamura) Motion/second to go into Executive  
37 Session at 11:06 a.m.

38  
39 **MOTION UNANIMOUSLY CARRIED.**  
40

41 **ACTION:** (Chip/Auyong-Imamura) Motion/second to come out of Executive  
42 Session at 12:10 p.m.

43  
44 **MOTION UNANIMOUSLY CARRIED.**  
45  
46

6 **ACTION:** (Wong/Kalehuawehe) Move/second that the HSTA-R and HSTA  
7 VEBA Trust will participate in the VEBA Sunset Class Action Suit and authorize  
8 payment of fifty percent (50%) of the cost of the suit based on the information  
9 contained in the Confidential Executive Summary Memorandum from Alston,  
10 Hunt, Floyd & Ing dated September 10, 2010.  
11

12 **MOTION UNANIMOUSLY CARRIED.**  
13

14 Meeting recessed at 12:20 p.m.  
15

16 Meeting reconvened at 1:03 p.m.  
17

18 **6. Counsel**  
19

20 James Tam provided his report to the Trustees in Executive Session.  
21

22 **IV. UNFINISHED BUSINESS**  
23

24 Chair Lewis requested a final response from Trustees to confirm who will be attending  
25 the International Foundation Conference in November. Trustees Enriquez, Kalehuawehe  
26 and Simpson acknowledged they will be attending. Chair Lewis instructed Mr. Shinno to  
27 proceed with securing all reservations for the three Trustees to attend the conference in  
28 Honolulu.  
29

30 **V. NEW BUSINESS**  
31

32 Mr. Tom distributed a copy of a Claim Appeal report for IVF (Invitro-fertilization)  
33 Benefits that were denied by HMA. Under the current interpretation and application of  
34 the Trust Plan Documents, the member's request for (a second in her lifetime) invitro  
35 services was denied by HMA because the member had already received an IVF benefit  
36 under the Trust Self-Funded Plan administered by HMSA.

37 Mr. Tom explained to the Trustees that recently applied interpretation by the State of  
38 Hawaii Insurance Commissioner would deem the Self-Funded 80/20 Plan administered  
39 by HMA to be a separate and distinct (new) plan. The Trustees were also advised of four  
40 (4) other participants that were earlier denied IVF services by HMA.  
41

42 **ACTION:** (Nakashima/Kalehuawehe) Motion/second to adopt the policy interpretation  
43 that the Self-funded 80/20 Plan administered by HMA is a separate and distinct Plan  
44 from the Self-Funded 90/10 plan administered by HMSA. Therefore, invitro services  
45 (and the appeal for) should not be denied on the basis of a single life-time per plan  
46 limitation, as recommended by the Consultant.

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5

6 **MOTION UNANIMOUSLY CARRIED.**

7

8 **VI. NEXT MEETING**

9

10 The next Board of Trustee meeting is scheduled for December 11, 2010.  
11 The time and location to be determined.

12

13 Prepared by: Susan Pestana, Trust Administration