



**ANNUAL REPORT**

**FISCAL YEAR 2010-11**

**Hawaii Employer-Union Health Benefits Trust Fund  
State of Hawaii**

**December 2011**

**THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
ANNUAL REPORT  
Fiscal Year 2010 - 2011**

This report presents an overview of the organization and activities of the Hawaii Employer-Union Health Benefits Trust Fund (“EUTF”) for the fiscal year 2010-2011. The EUTF is the organization that administers the health and life insurance plans for eligible state and county employees and retirees and their dependents. The EUTF was established under Chapter 87A of the Hawaii Revised Statutes and is administratively attached to the Department of Budget and Finance. The office is located at Suite 1520, City Financial Tower, Honolulu, Hawaii.

The EUTF operates according to administrative rules originally adopted in February 2003 and most recently revised in 2009. The administrative rules were formulated to meet the requirements of Chapter 87A,

**MAJOR EVENTS IN FISCAL YEAR 2010-2011**

Changes in Personnel: A new benefit plan consultant was hired, a new Administrator was hired and new Board members were appointed at the beginning of 2011.

HSTA VEBA coverage for approximately 15,000 employees and retirees was transitioned to EUTF administration effective January 1, 2011.

Federally mandated plan changes were made to comply with the Affordable Care Act to be effective July 1, 2011.

Requests for Proposals for all benefit plans were released, proposals were evaluated and awards of contracts were made.

**TRUST FUND ORGANIZATION**

Board of Trustees

The EUTF is administered by a board of trustees which is responsible for determining the benefit plans offered, negotiating and entering into contracts with insurance carriers and plan administrators, establishing eligibility criteria and management policies for the EUTF, and overseeing all EUTF activities.

There are ten trustees, five representing the public employers and five representing employee-beneficiaries, including a retiree representative. The trustees as of June 30, 2011 are shown below:

**Employer Trustees**

- Loretta Fuddy, Director, Dept. of Health
- Audrey Hidano, Deputy Director, Dept. of Labor and Industrial Relations
- Dean Hirata, Deputy Director, Dept.

**Employee-Beneficiary Trustees**

- George Kahoohahano, Retirees
- Derek Mizuno, HGEA
- Karolyn Mossman, HSTA

- of Budget and Finance
- Everett Kaneshige, Deputy Director, Dept. of Commerce and Consumer Affairs
- Celeste Nip, HFFA
- Sunshine Topping, Director, Dept. of Human Resources and Development
- Clifford Uwaine, UPW

Board officers as of June 30, 2011 were Dean Hirata, Chairperson, Loretta Fuddy, Vice-Chairperson and George Kahooohanohano, Secretary-Treasurer. The officers began their term February 2011 due to the new Board being appointed. New officers were elected July 1, 2011.

#### Administrator and Staff

The EUTF is managed by an administrator who is hired by and reports to the Board. The administrator is Barbara Coriell who started February 1, 2011.

The administrator is assisted in managing the EUTF by an assistant administrator, a financial management officer, an information systems analyst, and a health benefits program manager. EUTF staff has a total of 40 employees (including management staff and the Administrator).

The EUTF has three branches: the Financial Services Branch, Information Systems Branch, and Member Services Branch. A health benefits program manager oversees the Member Services Branch and is supported by employees assigned to customer service duties that include in person visits and phone calls and e-mails from members, handling all processing for retirees, and processing all active employee enrollment submissions. The financial management officer is supported by five accountants and three account clerks, who reconcile employee accounts, collect employer/employee contributions for health benefits, process all vendor payments, prepare monthly financial statements and coordinate an annual financial audit. The EUTF information systems analyst manages support for internal IT services, manages 1<sup>st</sup> level support for the benefits administration system, fulfills HIPAA security responsibilities, coordinates additional support services provided by DAGS/ICSD and Vitech Systems Group, Inc, and is supported by five IT staff .

#### Advisors, Consultants and Major Contracts

The Board employs professional consultants and advisors on certain specific issues of importance to the EUTF:

**Benefits Plan Consultant:** The Board utilized the services of Aon Consulting as its benefits plan consultant until December 31, 2010 at which time the contract changed to the Segal Company. Segal is one of the major national benefits consulting firms and provides access to their wide range of services from their Glendale California office.

**Benefits Administration System (BAS):** Vitech Systems Group, Inc. was selected to implement a new benefits administration system which went into operation in late 2009. Vitech Systems Group, Inc. is providing on-going support of the new benefits administration system.

BAS consultant: Gartner, Inc. is providing project oversight and assessment over the ongoing implementation of the multi phase benefits administration system and the necessary periodic revisions.

Investment consultants: Pension Consulting Alliance provides guidance in long term investments.

Actuary: Aon Consulting provides actuarial evaluation and analysis of the Other Post Employment Benefit (OPEB) liability for retiree health plans.

Auditor: Macias, Gini & O'Connell is the accounting firm which audits the EUTF financial records

Additional Contract: Aon Consulting provides data aggregation for submission to the Early Retiree Reimbursement Program (see below).

## **HEALTH AND LIFE INSURANCE BENEFIT PLANS**

During fiscal year 2010-2011, the EUTF provided health and life insurance benefits through contracts with the following organizations:

- ◆ Hawaii Medical Service Association (HMSA)
  1. PPO Plan – 80/20
  2. HMO
  3. High Deductible Health Plan
  4. HSTA VEBA 90/10 & 80/20 medical & Rx plans
  5. Retiree PPO 90/10 plan
- ◆ Health Management Associates (HMA)
  1. PPO Plan 90/10
  2. Retiree PPO 90/10 plan
- ◆ Kaiser Permanente (Kaiser)
  1. Comprehensive HMO (EUTF & HSTA VEBA)
  2. Basic HMO
  3. Retiree Comprehensive HMO
- ◆ informedRx (previously NMHC Inc)
  1. Rx coverage for PPO plans
- ◆ Hawaii Dental Service (HDS) – Active, Retiree & HSTA VEBA plans
- ◆ Vision Service Plan (VSP) – Active, Retiree & HSTA VEBA plans
- ◆ Royal State National Insurance Company, Ltd./ChiroPlan Hawaii, Inc. (ChiroPlan) – included with all active medical plans
- ◆ Supplemental Plans
  1. Royal State National Insurance Company, Ltd. (Royal State)
  2. HMSA Supplemental
  3. HMSA HSTA VEBA Supplemental
- ◆ Standard Life Insurance Company (Standard) – Active & Retiree

Contracts with these organizations expired on June 30, 2010, and were extended through June 30, 2011.

For both active employees and retirees, the health benefit plans provided by the EUTF during the fiscal year were available to dependents including spouses, domestic partners and full-time students up to the age of 24.

#### EUTF ACTIVITY IN 2010 – 2011

##### HSTA VEBA Coverage Transitioned to EUTF

In May 2010 the Legislature passed Act 106, which extended the enabling law for the voluntary employees' beneficiary association (VEBA) trust, allowing the HSTA alternative health-benefits plans to remain independent for six additional months. The objective was to provide for a smoother transition of the coverage for approximately 15,000 active and retired VEBA members into EUTF's health and benefit plans effective January 1, 2011.

The EUTF worked diligently to prepare a smooth and efficient transition. However, in the summer of 2010 the Hawaii State Teachers Association VEBA trust filed a lawsuit to stop the change. Because Act 106 SLH 2010 required the HSTA VEBA members to return to the EUTF plans on January 1, 2011, and because EUTF would not know the outcome of the lawsuit for months and maybe years to come, EUTF proceeded with implementation plans to return the HSTA VEBA members to the EUTF plans on January 1, 2011.

As part of the implementation process, EUTF conducted an open enrollment for the active and retired HSTA VEBA members during the month of November 2010. However, on December 7, 2010, just 3 weeks prior to the effective date, Judge Karl Sakamoto held a hearing on the lawsuit and issued an oral ruling from the bench which stated the active and retired HSTA VEBA members must return to the EUTF health plans on January 1, 2011. However, they must be offered the same standard of benefits coverage that was provided by the then HSTA VEBA plans. In order to comply, the EUTF was required to develop new benefit plans and enrollment protocols and the corresponding enrollment system revisions specifically for the HSTA VEBA members.

Within a short three weeks period EUTF developed sixteen new medical, prescription drug, dental, vision, chiropractic and life insurance plans for active employees and retirees that provided the same standard of benefits coverage. HSTA VEBA members were offered another open enrollment and all members were transitioned to the new EUTF plans on January 1, 2011.

##### Affordable Care Act Plan Changes Implemented

The benefit plan design changes required for active plans by the Health Reform legislation became effective for the EUTF active employee medical plans July 1, 2011. The most notable change was the extension of the dependent child age limit to age 26. In addition the unmarried and full time student restrictions were removed. Special communication materials were developed for employees and Department Personnel

Officers and computer system changes were developed, tested and put in place. A special open enrollment was held to enable members to enroll newly eligible dependent children.

#### Requests for Proposals for all Benefit Plans

Working with Segal, the EUTF released Requests for Proposals for all benefit plans: Medical, Prescription Drug, Chiropractic, Dental, Vision and Life insurance. Several evaluation committees met numerous times to review proposals, interview finalists and evaluate each offering. Based on their recommendations the Board awarded contracts to be effective January 1, 2012 with options to extend through June 30, 2015. Although the benefit coverage did not change, there were carrier changes made in addition to a significant change in the financial arrangement for the PPO medical plans.

Awards which will result in carrier changes include:

PPO Medical 90/10 plan:	HMA Administrator to HMSA
Pharmacy Benefit Manager:	informed Rx to CVS Caremark *
Life insurance:	Standard to Royal State National

Financial Arrangement Change: (for other than Kaiser medical plans) The current Self Funded arrangement will change to Participating Fully Insured which could result in the return of surplus premium.

\* A procurement protest was filed and implementation of this award is pending the outcome of the protest hearing.

Other notable activity during the year included:

An Investment Consultant, Pension Consulting Alliance, was hired following an RFP process; the EUTF investment policy was reviewed and approved and funds were invested accordingly.

A Custody Bank contract was awarded to Bank of Hawaii following an RFP process.

The EUTF coordinated the evaluation of employers' Other Post Employment Benefits liability which is required by GASB. Aon's actuarial staff performed the evaluation as part of an ongoing contract.

The EUTF applied and was accepted for the federal Early Retiree Reimbursement Program (ERRP) which is provided as part of the Affordable Care Act. Working with Aon as our data aggregator, the EUTF received the first reimbursement payment of \$4.6 million which was applied to reduce 2012 prescription drug rates.

## **OPERATIONS**

### Ongoing Programs and General Operations

The EUTF participates with the major State departments and counties which host pre-retirement, new hire orientation, DPO informational, and Open Enrollment sessions during the year.

During FY2011, the EUTF Member Services Branch continued to be challenged by an extremely high volume of employee-beneficiary contacts, multiple unanticipated limited open enrollment periods, furloughs, and the HSTA-VEBA transition back to EUTF coverage. The Call Center successfully handled upwards of 114,983 phone calls and staff serviced well over 6000+ walk-in visitors. Additionally, 105,703 incoming documents were imaged. 43,321 enrollment-related outbound documents were printed in-house and mailed directly to plan participants.

The Branch made significant movement towards achieving greater operational efficiencies. Acquisition of equipment (telephone and computer) and approval to re-shape the functional unit's organizational structure as well as composition have enabled much progress.

Information Systems handled the following systems issues in addition to normal work flow:

- System modifications to administer eligibility and enrollments for former HSTA VEBA members and dependents into benefit plans effective January 1, 2011
- Submitted electronic eligibility files for Early Retiree Reinsurance Program reimbursement program
- System modifications to administer extending the eligibility and enrollment of an Active employee's dependent child to age 26 for medical plan and prescription drug plan, effective July 1, 2011 due to Federal Affordable Care Act.
- System modifications to administer new split employer/employee contributions for the administrative fees
- System modifications to administer new benefit plans effective January 1, 2012

An annual audit of the EUTF, as required by Chapter 87A-25(2), is being conducted for the plan year July 1, 2010 through June 30, 2011 by Macias, Gini & O'Connell. The EUTF audited financial reports will be presented to the Board of Trustees in early 2012 and the audit report will be forwarded under separate cover.

**Enrollment Counts - EUTF Active Employees**

The table below shows EUTF Active Employees enrollments as of 06-16-2011

Count of Members	Benefit Plan	Type of Enrollment			Grand Total	Annual Premiums
		Self	Two-Party	Family		
<b>Medical Plans</b>						
	EUTF PPO (HMA) - 90/10 Plan, RSN Chiropractic	1,744	516	762	3,022	\$ 19,536,028
	EUTF PPO (HMSA) - 80/20 Plan, RSN Chiropractic	13,723	4,790	7,310	25,823	\$ 162,833,453
	EUTF HMO (HMSA), Prescription Drug, RSN Chiropractic	1,470	386	493	2,349	\$ 17,715,332
	EUTF High Deductible Health Plan (HMSA), Prescription Drug	190	53	75	318	\$ 1,892,703
	Kaiser Comprehensive, Prescription Drug, RSN Chiropractic	4,523	1,533	2,133	8,189	\$ 59,746,050
	Kaiser Basic, Prescription Drug, RSN Chiropractic	782	232	268	1,282	\$ 6,831,239
	EUTF Supplemental (HMSA), RSN Chiropractic	164	112	167	443	\$ 1,665,286
	Royal State Supplemental, Prescription Drug, RSN Chiropractic	81	85	208	374	\$ 523,860
<b>Medical Plans Total</b>		<b>22,677</b>	<b>7,707</b>	<b>11,416</b>	<b>41,800</b>	<b>\$ 270,743,951</b>
<b>Drug Plan</b>						
	EUTF Prescription Drug (informedRx)	15,073	5,286	8,030	28,389	\$ 41,187,890
	EUTF Supplemental informedRx Prescription Drug	165	114	167	446	\$ 751,337
<b>Drug Plan Total</b>		<b>15,238</b>	<b>5,400</b>	<b>8,197</b>	<b>28,835</b>	<b>\$ 41,939,227</b>
<b>Dental Plan</b>		<b>21,272</b>	<b>9,892</b>	<b>14,137</b>	<b>45,301</b>	<b>\$ 32,845,658</b>
<b>Vision Plan</b>		<b>21,046</b>	<b>8,822</b>	<b>12,802</b>	<b>42,670</b>	<b>\$ 4,955,849</b>
<b>Life Insurance</b>		<b>53,686</b>			<b>53,686</b>	<b>\$ 2,679,468</b>

**Enrollment Counts - HSTA VB Actives**

The table below shows HSTA VB Actives enrollments as of 06-16-2011

Count of Members	Benefit Plan	Type of Enrollment			Grand Total	Annual Premiums
		Self	Two-Party	Family		
<b>Medical Plans</b>						
	HMSA 80/20 Medical, Drug, RSN Chiropractic	2,134	652	1,698	4,484	\$ 16,551,091
	HMSA 90/10 Medical, Drug, RSN Chiropractic	1,796	375	1,020	3,191	\$ 14,682,708
	HMSA Supplemental Medical, Drug, Vision, RSN Chiropractic	59	61	162	282	\$ 1,114,053
	Kaiser Comprehensive Medical, Drug, RSN Chiropractic	1,154	252	612	2,018	\$ 8,125,173
	<b>Medical Plans Total</b>	<b>5,143</b>	<b>1,340</b>	<b>3,492</b>	<b>9,975</b>	<b>\$ 40,473,025</b>
<b>Dental Plan</b>						
	HDS Dental	4,921	1,566	3,745	10,232	\$ 3,939,052
	HDS Supplemental Dental	82	64	213	359	\$ 89,572
	<b>Dental Plan Total</b>	<b>5,003</b>	<b>1,630</b>	<b>3,958</b>	<b>10,591</b>	<b>\$ 4,028,624</b>
<b>Vision Plan</b>						
	VSP Vision	5,088	1,278	3,329	9,695	\$ 570,459
	VSP Vision - Stand Alone	66	74	196	336	\$ 24,818
	<b>Vision Plan Total</b>	<b>5,154</b>	<b>1,352</b>	<b>3,525</b>	<b>10,031</b>	<b>\$ 595,277</b>
	<b>Life Insurance</b>	<b>12,171</b>			<b>12,171</b>	<b>\$ 308,090</b>

## Enrollment Counts - EUTF Retirees

The table below shows EUTF Retirees enrollments as of 06-16-2011

Count of Members	Benefit Plan	Type of Enrollment			Grand Total	Annual Premiums
		Self	Two-Party	Family		
<b>Medical Plans</b>						
<b>EUTF PPO (HMA)</b>						
	Retiree (Medicare)	25	26		51	\$ 123,565
	Retiree (Non-Medicare)	29	27	14	70	\$ 471,991
	<b>EUTF PPO (HMA) Total</b>	<b>54</b>	<b>53</b>	<b>14</b>	<b>121</b>	<b>\$ 595,556</b>
<b>EUTF PPO (HMSA)</b>						
	Retiree (Medicare)	14,902	8,332	445	23,679	\$ 70,347,240
	Retiree (Non-Medicare)	3,091	3,261	990	7,342	\$ 59,419,055
	<b>EUTF PPO (HMSA) Total</b>	<b>17,993</b>	<b>11,593</b>	<b>1,435</b>	<b>31,021</b>	<b>\$ 129,766,295</b>
<b>Kaiser HMO, Prescription Drug</b>						
	Retiree (Medicare)	3,434	1,677	108	5,219	\$ 24,411,243
	Retiree (Non-Medicare)	751	675	195	1,621	\$ 16,641,470
	<b>Kaiser HMO, Prescription Drug Total</b>	<b>4,185</b>	<b>2,352</b>	<b>303</b>	<b>6,840</b>	<b>\$ 41,052,713</b>
<b>Out-of-State Plan</b>						
	Retiree (Medicare)	83	51		134	
	Retiree (Non-Medicare)	4	7		11	
	<b>Out-of-State Plan Total</b>	<b>87</b>	<b>58</b>		<b>145</b>	<b>\$ 179,283</b>
<b>Medical Plans Total</b>		<b>22,319</b>	<b>14,056</b>	<b>1,752</b>	<b>38,127</b>	<b>\$ 171,593,847</b>
<b>Drug Plan</b>						
<b>EUTF Prescription Drug (informedRx)</b>						
	Retiree (Medicare)	14,183	8,074	410	22,667	\$ 77,380,459
	Retiree (Non-Medicare)	3,802	3,410	1,029	8,241	\$ 27,537,997
	<b>EUTF Prescription Drug (informedRx) Total</b>	<b>17,985</b>	<b>11,484</b>	<b>1,439</b>	<b>30,908</b>	<b>\$ 104,918,456</b>
<b>Drug Plan Total</b>		<b>17,985</b>	<b>11,484</b>	<b>1,439</b>	<b>30,908</b>	<b>\$ 104,918,456</b>
<b>Dental Plan</b>		<b>22,269</b>	<b>13,831</b>	<b>1,625</b>	<b>37,725</b>	<b>\$ 19,695,947</b>
<b>Vision Plan</b>		<b>22,228</b>	<b>14,177</b>	<b>1,759</b>	<b>38,164</b>	<b>\$ 3,208,668</b>
<b>Life Insurance</b>		<b>33,940</b>			<b>33,940</b>	<b>\$ 1,673,714</b>
<b>Medicare Part B Reimbursements - EUTF and HSTA VB retirees</b>		<b>21,778</b>	<b>8,628</b>			<b>\$ 46,606,083</b>

**Enrollment Counts - HSTA VB Retirees**

The table below shows HSTA VB Retirees enrollments as of 06-16-2011

Count of Members	Benefit Plan	Type of Enrollment			Grand Total	Annual Premiums
		Self	Two-Party	Family		
<b>Medical Plans</b>						
<b>HMSA 90/10 Medical, Drug, RSN Chiropractic</b>						
	Retiree (Medicare)	612	509	26	1,147	\$ 3,437,213
	Retiree (Non-Medicare)	396	592	96	1,084	\$ 6,735,419
	<b>HMSA 90/10 Medical, Drug, RSN Chiropractic Total</b>	<b>1,008</b>	<b>1,101</b>	<b>122</b>	<b>2,231</b>	<b>\$ 10,172,632</b>
<b>HMSA 90/10 Medical, RSN Chiropractic</b>						
	Retiree (Medicare)	3	4		7	\$ 12,827
	Retiree (Non-Medicare)		2		2	\$ 10,644
	<b>HMSA 90/10 Medical, RSN Chiropractic Total</b>	<b>3</b>	<b>6</b>		<b>9</b>	<b>\$ 23,471</b>
<b>Kaiser Comprehensive Medical, Drug, RSN Chiropractic</b>						
	Retiree (Medicare)	73	53	5	131	\$ 379,204
	Retiree (Non-Medicare)	57	50	13	120	\$ 665,192
	<b>Kaiser Comprehensive Medical, Drug, RSN Chiropractic Total</b>	<b>130</b>	<b>103</b>	<b>18</b>	<b>251</b>	<b>\$ 1,044,396</b>
<b>EUTF Out-of-State Plan - Retiree</b>						
	Retiree (Medicare)	1			1	
	Retiree (Non-Medicare)	1			1	
	<b>EUTF Out-of-State Plan - Retiree Total</b>	<b>2</b>			<b>2</b>	<b>\$ 3,249</b>
<b>Medical Plans Total</b>		<b>1,143</b>	<b>1,210</b>	<b>140</b>	<b>2,493</b>	<b>\$ 11,243,748</b>
<b>Dental Plan</b>		<b>1,134</b>	<b>1,198</b>	<b>129</b>	<b>2,461</b>	<b>\$ 717,815</b>
<b>Vision Plan</b>		<b>1,144</b>	<b>1,210</b>	<b>140</b>	<b>2,494</b>	<b>\$ 116,688</b>
<b>Life Insurance</b>		<b>2,557</b>			<b>2,557</b>	<b>\$ 63,997</b>

## Waived Enrollments Counts

The tables below show calculated Waived counts as of 06-16-2011

**Total Number of EUTF Active Employees: 66,964**

<b>Waived Plans</b>	<b>Total</b>
Medical Plans	15,189
Drug Plans	15,642
Dental Plan	11,072
Vision Plan	14,263
Life Insurance	1,107

**Total Number of EUTF Retirees: 41,785**

<b>Waived Plans</b>	<b>Total</b>
Medical Plans	1,165
Drug Plans	1,555
Dental Plan	1,599
Vision Plan	1,127
Life Insurance	198

## Enrollment Counts - All

The table below shows All employees as of 06-16-2011

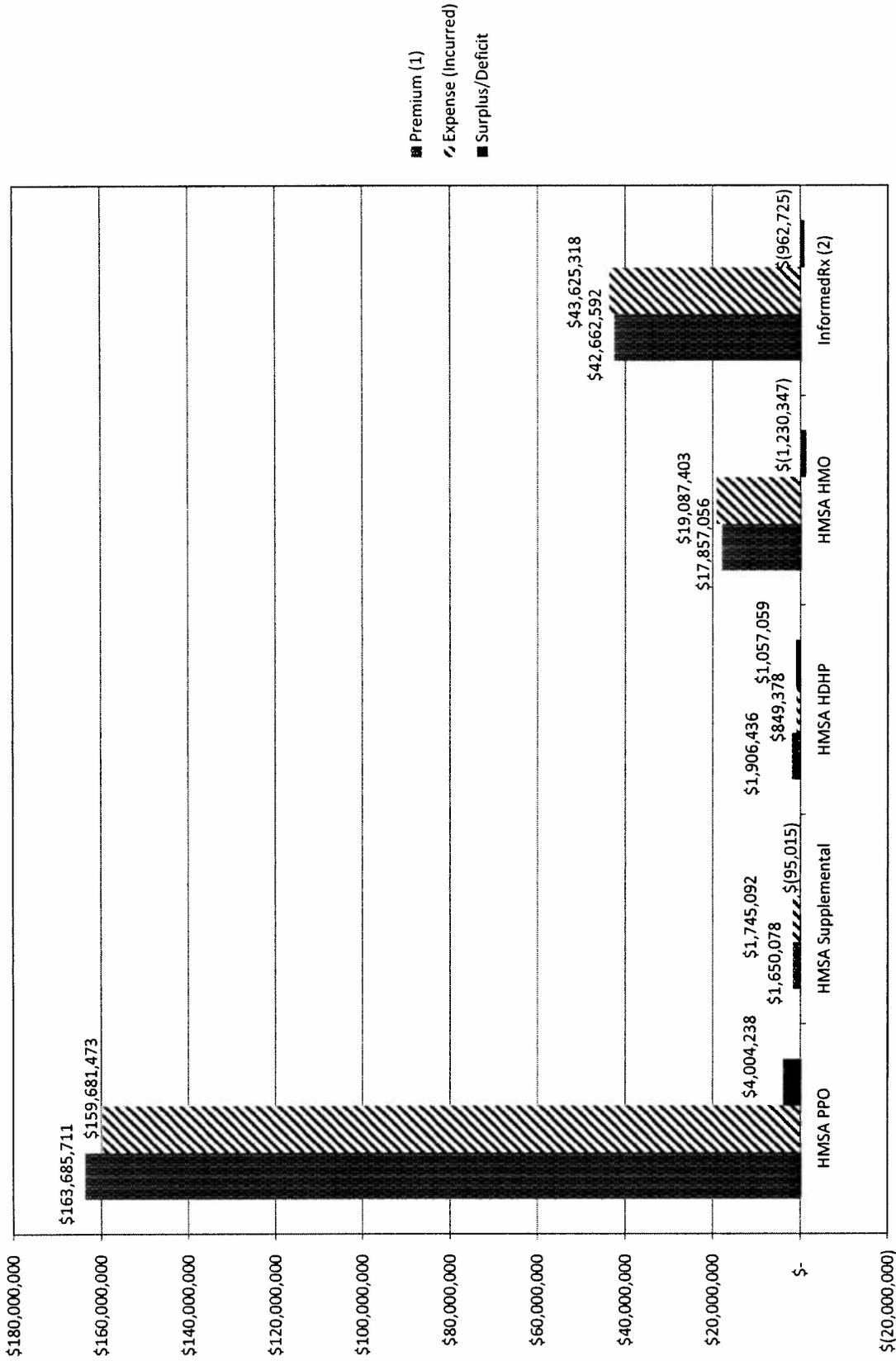
Count of Members Employer	Benefit Plan Medical Plans	Drug	Dental Plan	Vision Plan	Life Insurance
<b>City and County of Honolulu</b>					
Active	7,023	4,952	7,559	7,191	8,582
Retiree (Medicare)	4,317	3,089			
Retiree (Non-Medicare)	2,165	1,813	6,383	6,481	5,316
<b>City and County of Honolulu Total</b>	<b>13,505</b>	<b>9,854</b>	<b>13,942</b>	<b>13,672</b>	<b>13,898</b>
<b>Honolulu Board of Water Supply</b>					
Active	426	330	455	428	507
Retiree (Medicare)	437	342			
Retiree (Non-Medicare)	127	107	556	566	468
<b>Honolulu Board of Water Supply Total</b>	<b>990</b>	<b>779</b>	<b>1,011</b>	<b>994</b>	<b>975</b>
<b>County of Hawaii</b>					
Active	1,939	1,504	2,014	1,936	2,314
Retiree (Medicare)	799	744			
Retiree (Non-Medicare)	544	552	1,298	1,337	1,137
<b>County of Hawaii Total</b>	<b>3,282</b>	<b>2,800</b>	<b>3,312</b>	<b>3,273</b>	<b>3,451</b>
<b>Hawaii Dept of Water Supply</b>					
Active	142	119	148	145	165
Retiree (Medicare)	62	60			
Retiree (Non-Medicare)	21	23	83	83	68
<b>Hawaii Dept of Water Supply Total</b>	<b>225</b>	<b>202</b>	<b>231</b>	<b>228</b>	<b>233</b>
<b>County of Kauai</b>					
Active	952	815	1,012	964	1,180
Retiree (Medicare)	452	422			
Retiree (Non-Medicare)	248	265	680	700	545
<b>County of Kauai Total</b>	<b>1,652</b>	<b>1,502</b>	<b>1,692</b>	<b>1,664</b>	<b>1,725</b>
<b>County of Maui</b>					
Active	2,015	1,105	2,125	2,013	2,424
Retiree (Medicare)	719	443			
Retiree (Non-Medicare)	403	300	1,107	1,127	934
<b>County of Maui Total</b>	<b>3,137</b>	<b>1,848</b>	<b>3,232</b>	<b>3,140</b>	<b>3,358</b>
<b>State of Hawaii</b>					
Active	38,785	19,869	42,067	39,541	50,052
Retiree (Medicare)	23,582	17,567			
Retiree (Non-Medicare)	6,743	5,181	30,078	30,363	28,028
<b>State of Hawaii Total</b>	<b>69,110</b>	<b>42,617</b>	<b>72,145</b>	<b>69,904</b>	<b>78,080</b>
<b>Hawaii Public Charter Schools</b>					
Active	493	141	512	483	633
Retiree (Medicare)	1				
Retiree (Non-Medicare)			1	1	1
<b>Hawaii Public Charter Schools Total</b>	<b>494</b>	<b>141</b>	<b>513</b>	<b>484</b>	<b>634</b>
<b>Grand Total</b>	<b>92,395</b>	<b>59,743</b>	<b>96,078</b>	<b>93,359</b>	<b>102,354</b>

## Enrollment Counts - All

The table below shows All employees as of 06-16-2011

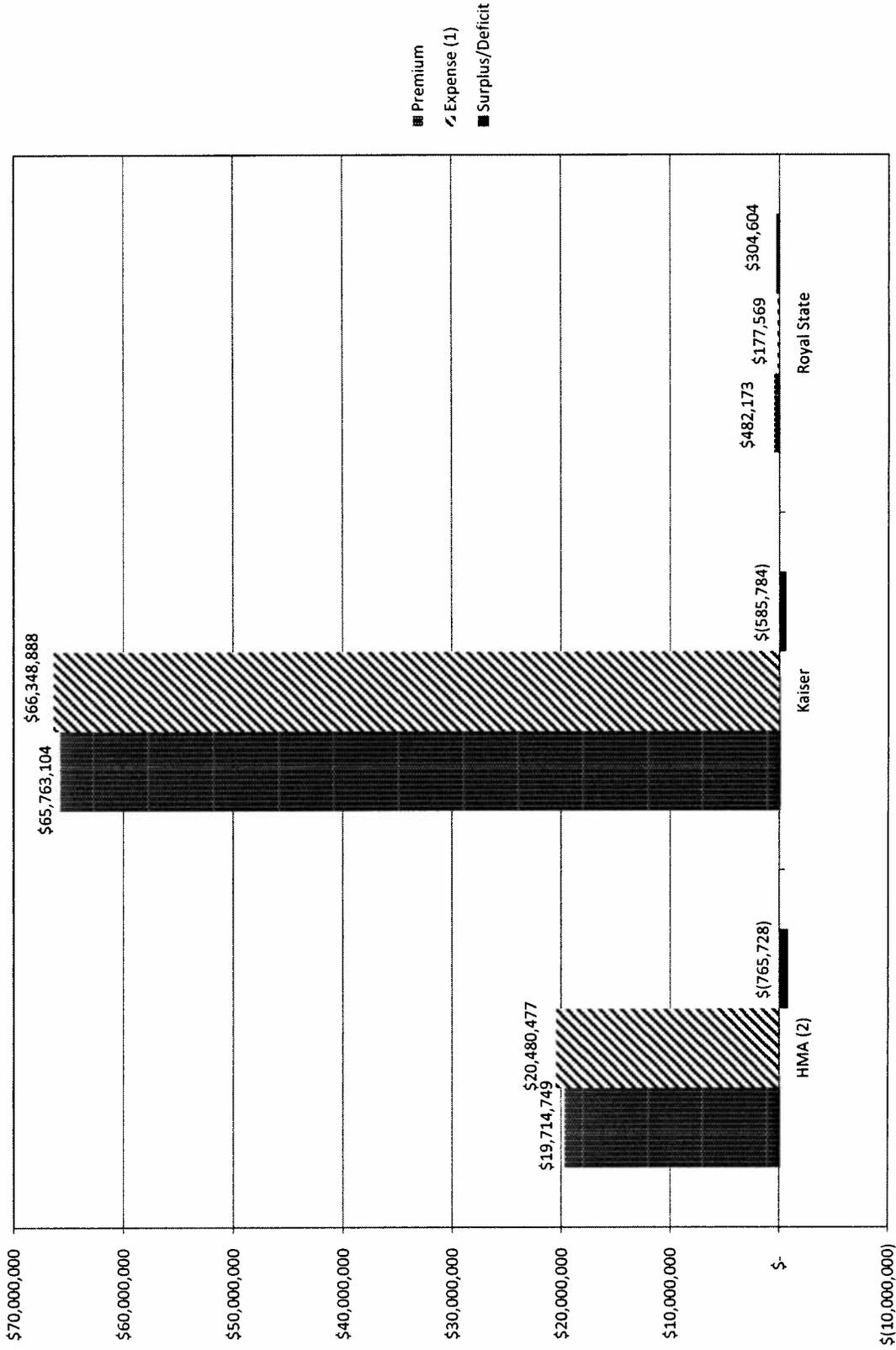
Count of Members	Benefit Plan Medical Plans	Drug	Dental Plan	Vision Plan	Life Insurance
<b>Actives by Bargaining Unit</b>					
BU 00	1,173	818	1,293	1,208	1,561
BU 01	6,917	4,799	7,372	7,049	8,618
BU 02	544	373	586	555	671
BU 03	11,270	7,874	12,648	11,917	15,329
BU 04	444	333	536	505	617
BU 05	10,296	158	10,943	10,327	12,569
BU 06	640	506	695	647	851
BU 07	2,979	1,923	3,108	2,875	3,656
BU 08	2,597	1,659	2,650	2,423	3,398
BU 09	1,212	692	1,298	1,225	1,506
BU 10	2,389	1,497	2,563	2,443	3,015
BU 11	1,629	1,161	1,737	1,600	1,959
BU 12	2,623	1,922	2,724	2,632	2,981
BU 13	7,062	5,120	7,739	7,295	9,126
<b>Actives by Bargaining Unit Total</b>	<b>51,775</b>	<b>28,835</b>	<b>55,892</b>	<b>52,701</b>	<b>65,857</b>
<b>Retirees (Medicare)</b>					
Retiree	26,367	19,942			
Survivor	4,002	2,725			
<b>Retirees (Medicare) Total</b>	<b>30,369</b>	<b>22,667</b>			
<b>Retirees (Non-Medicare)</b>					
Retiree	9,264	6,953	35,268	35,703	36,497
Survivor	987	1,288	4,918	4,955	
<b>Retirees (Non-Medicare) Total</b>	<b>10,251</b>	<b>8,241</b>	<b>40,186</b>	<b>40,658</b>	<b>36,497</b>
<b>Grand Total</b>	<b>92,395</b>	<b>59,743</b>	<b>96,078</b>	<b>93,359</b>	<b>102,354</b>

**Hawaii Employer-Union Health Benefits Trust Fund  
Annual Report as of June 30, 2011  
EUTF Active Medical and Prescription Drug Plan Experience**



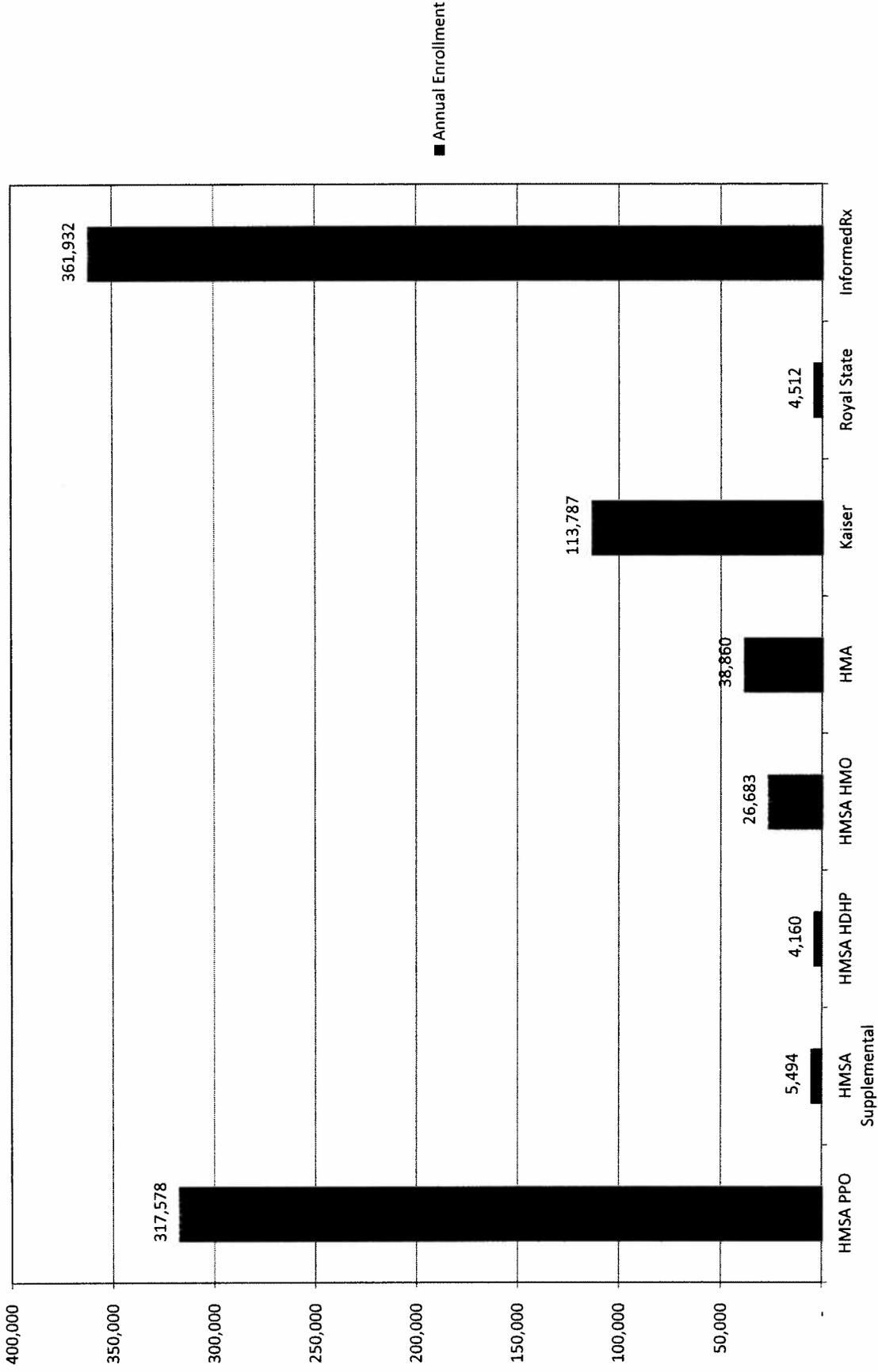
(1) Includes Employer and Employee contributions and estimated based on monthly enrollment.  
(2) Does not include rebates.

**Hawaii Employer-Union Health Benefits Trust Fund  
Annual Report as of June 30, 2011  
EUTF Active Medical and Prescription Drug Plan Experience (Continued)**

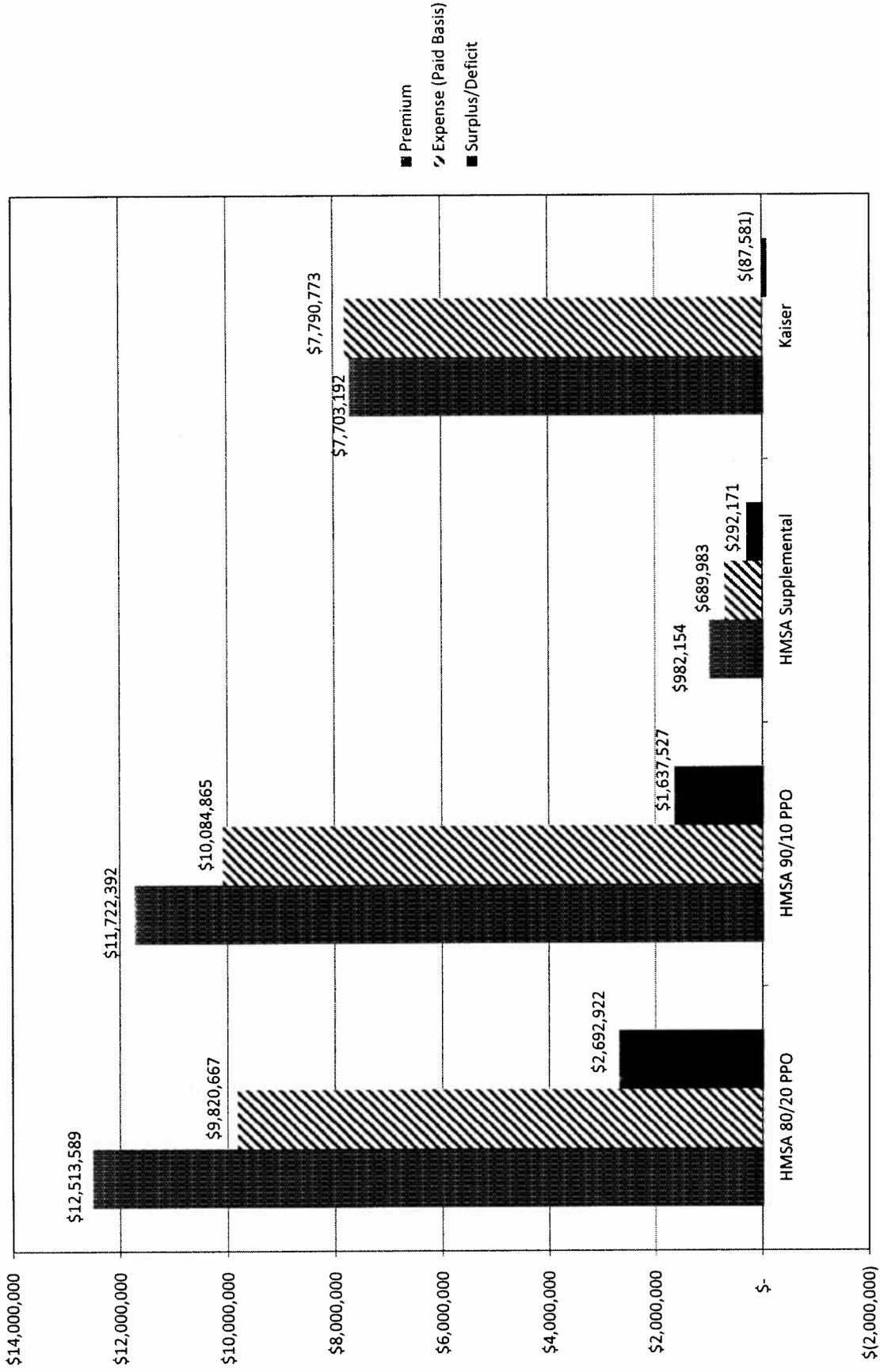


(1) HMA expense is on an incurred basis. Kaiser and Royal State expenses are on a paid basis.  
 (2) Premium includes Employer and Employee contributions and is estimated based on monthly enrollment.

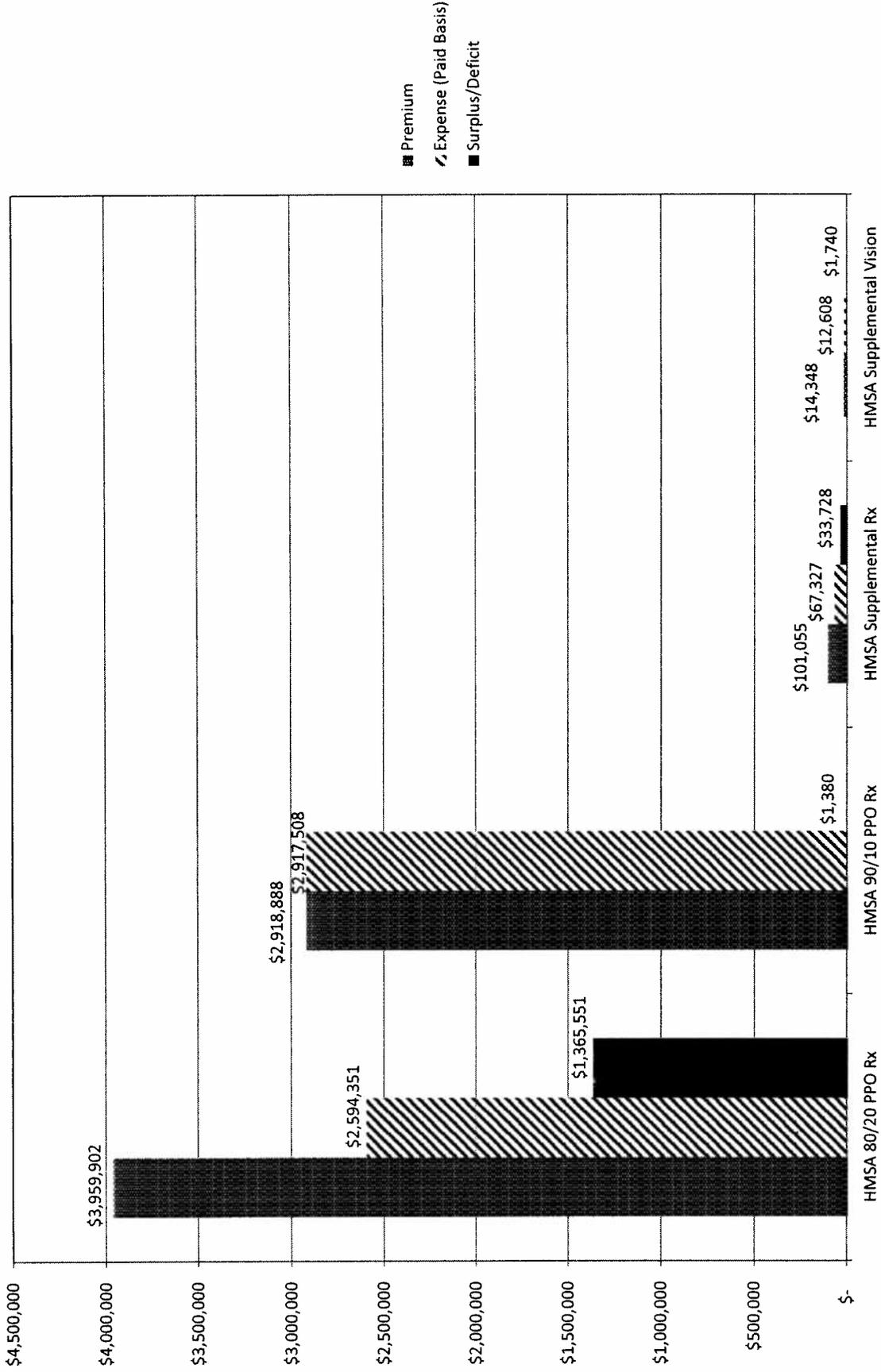
Hawaii Employer-Union Health Benefits Trust Fund  
 Annual Report as of June 30, 2011  
 EUTF Active Medical and Prescription Drug Enrollment



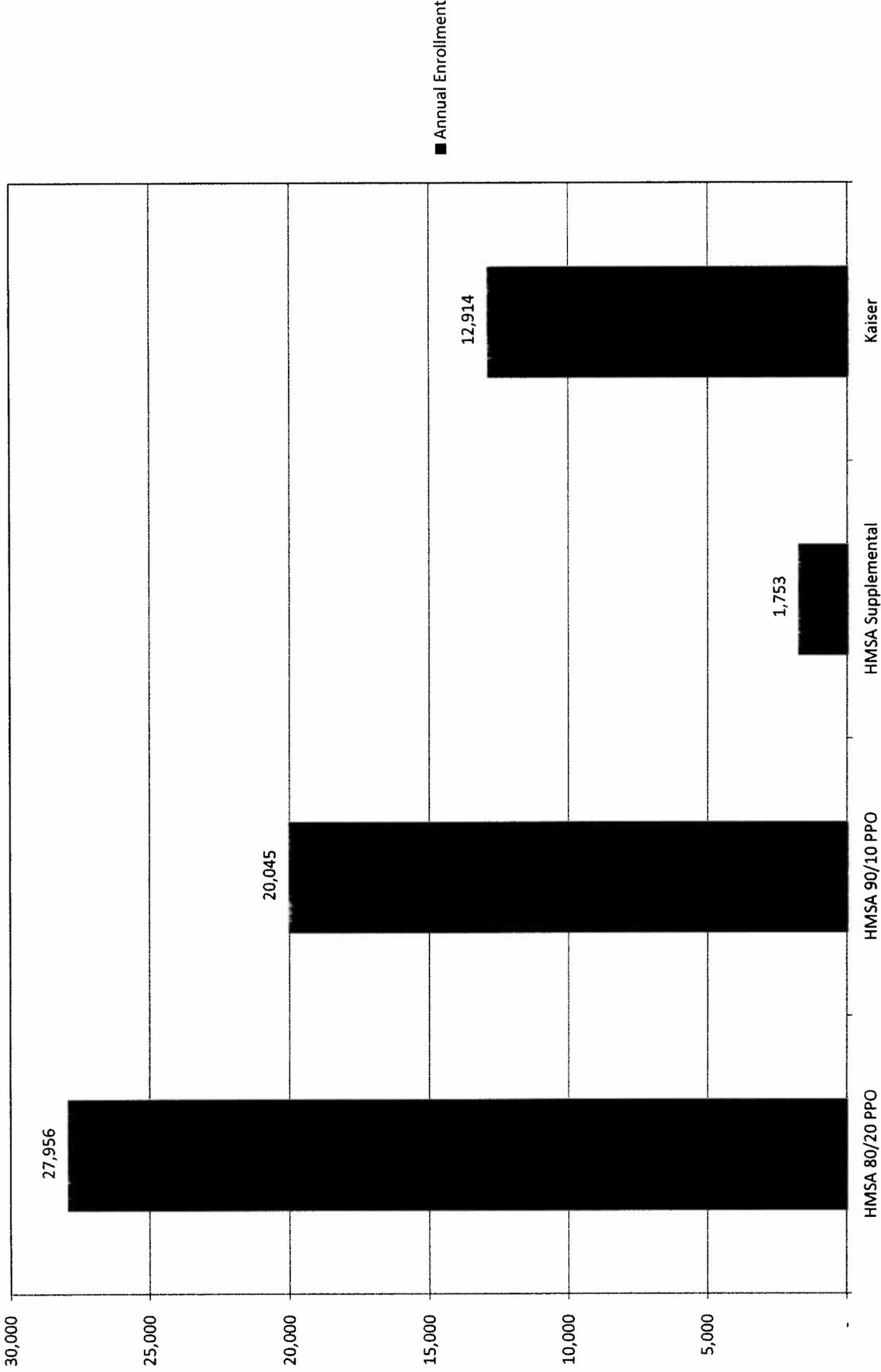
Hawaii Employer-Union Health Benefits Trust Fund  
 Annual Report as of June 30, 2011  
 HSTA VB Active Medical Plan Experience



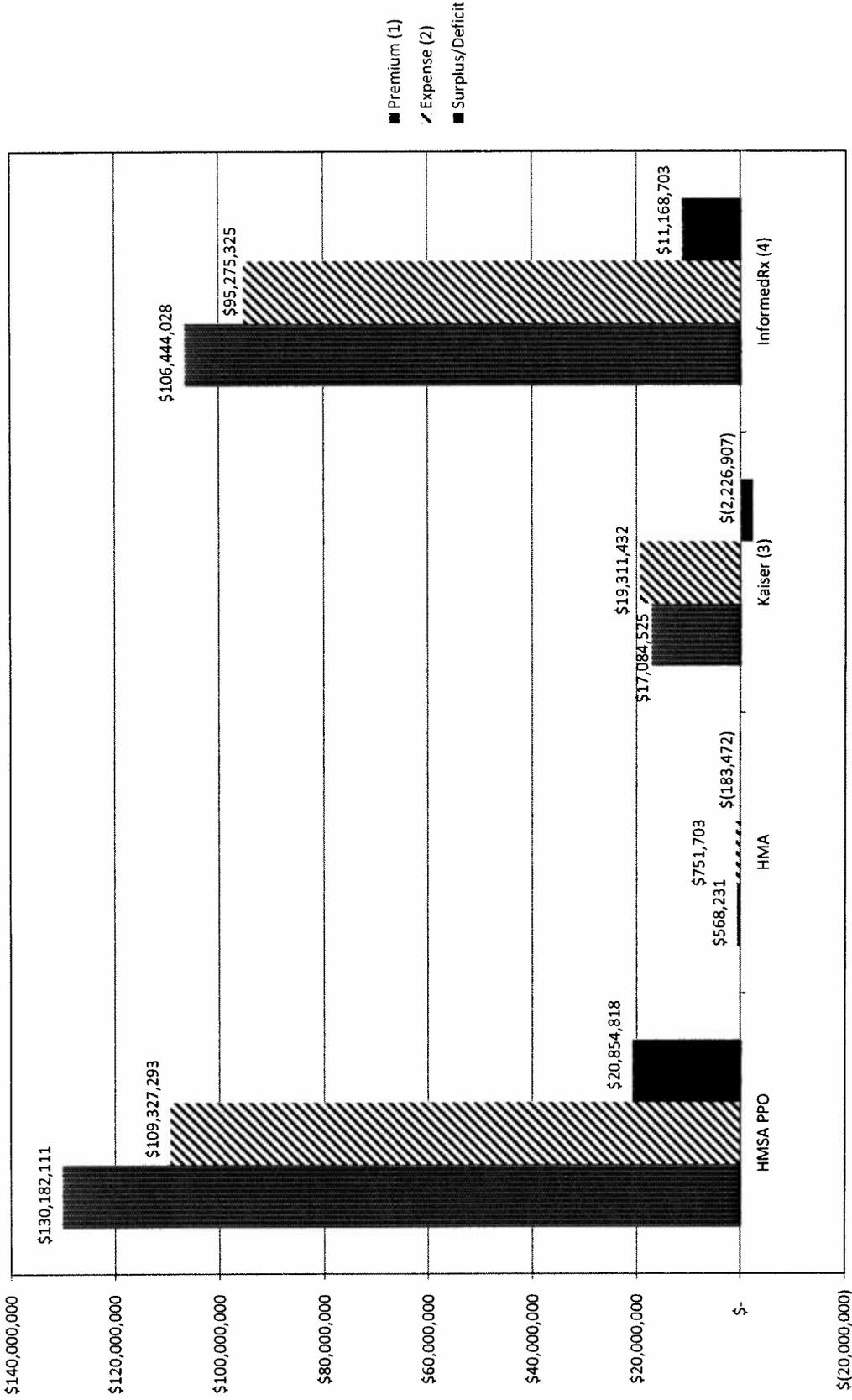
Hawaii Employer-Union Health Benefits Trust Fund  
 Annual Report as of June 30, 2011  
 HSTA VB Active HMSA Prescription Drug and Vision Plan Experience



Hawaii Employer-Union Health Benefits Trust Fund  
 Annual Report as of June 30, 2011  
 HSTA VB Active Medical and Prescription Drug Enrollment

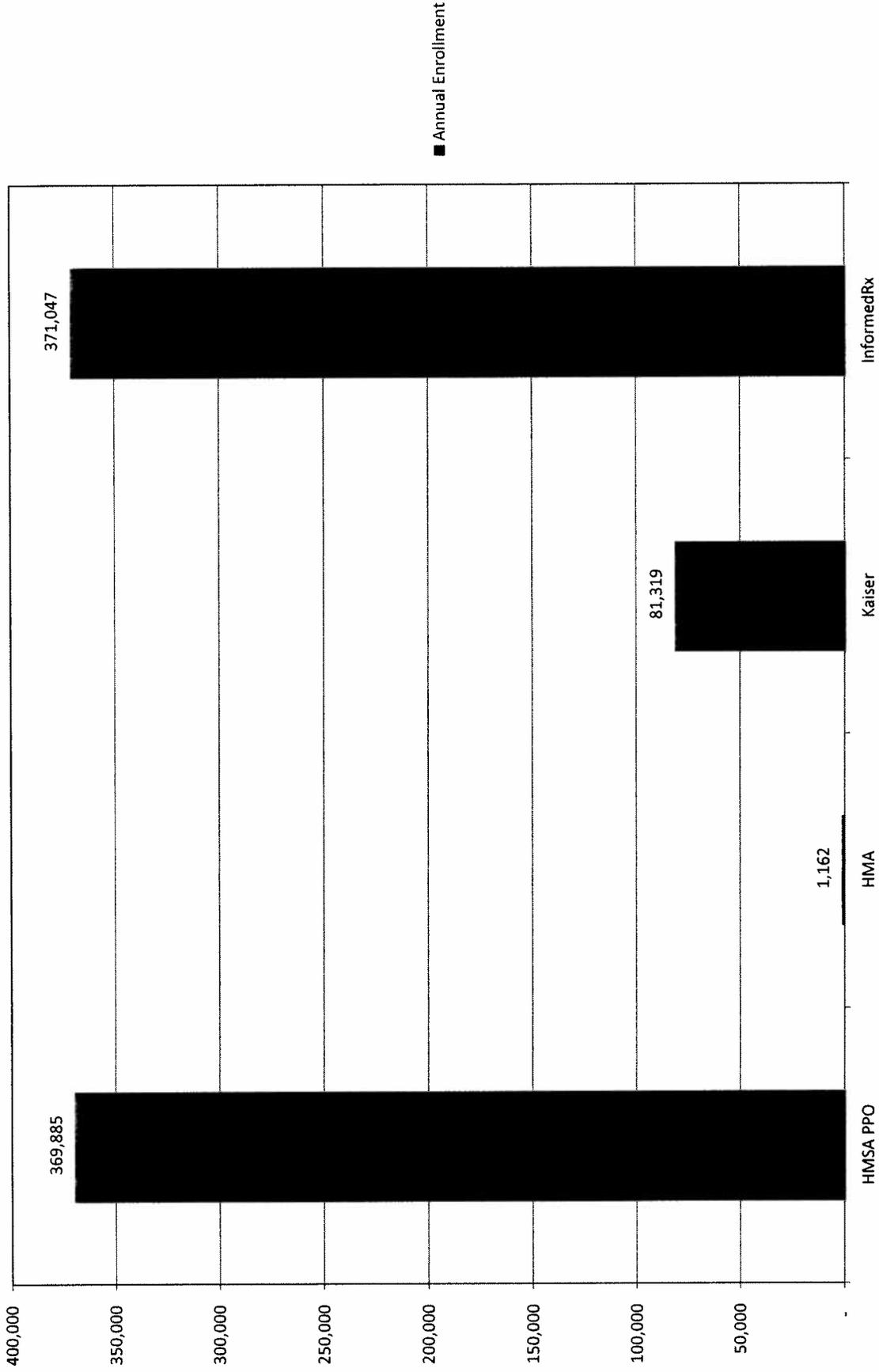


**Hawaii Employer-Union Health Benefits Trust Fund  
Annual Report as of June 30, 2011  
EUTF Retiree Medical and Prescription Drug Plan Experience**

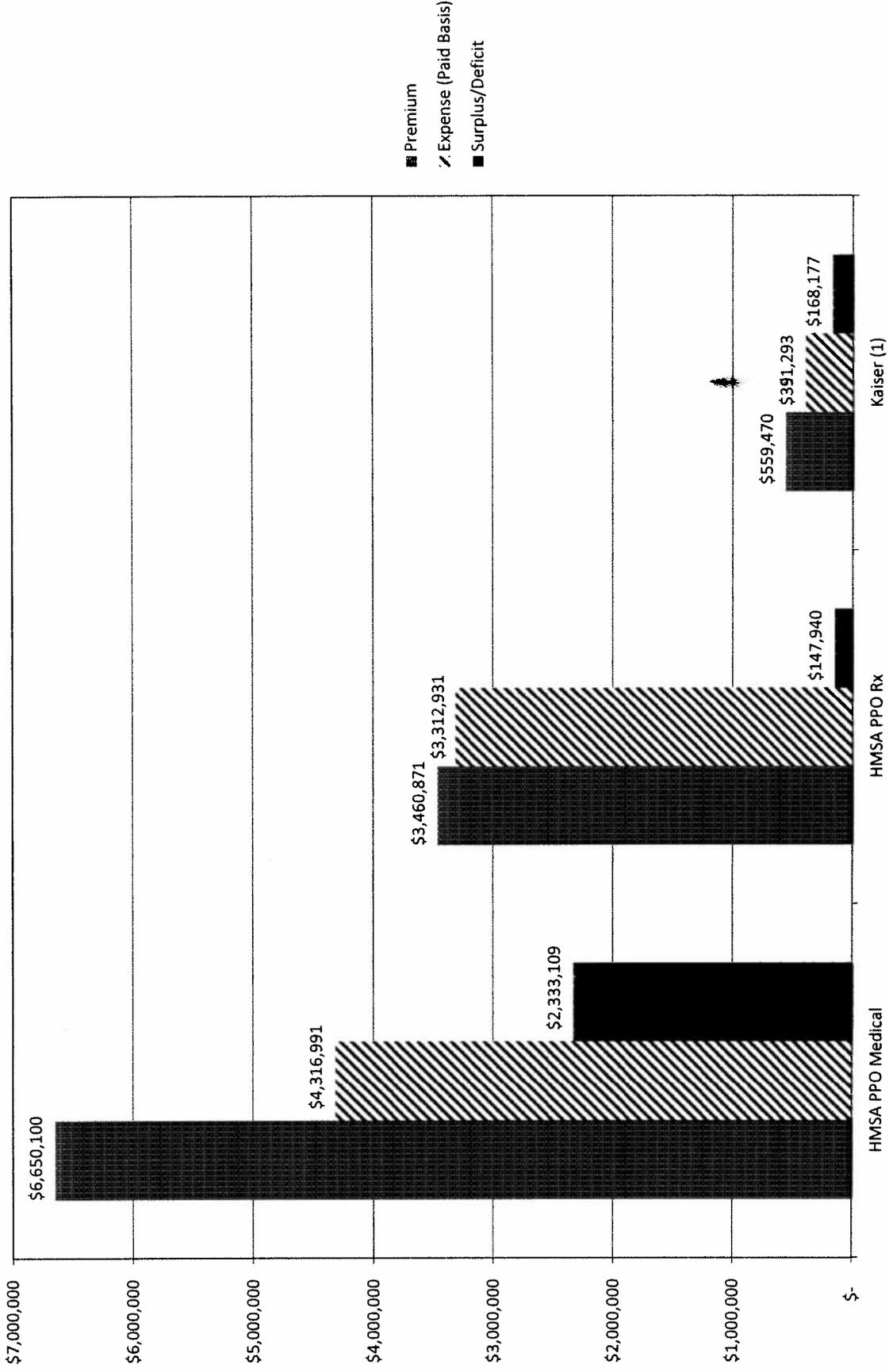


(1) HMA, HIMA and InformedRx premium includes Employer and Employee contributions and is estimated based on monthly enrollment.  
 (2) HMA, HIMA and InformedRx expenses are on an incurred basis. Kaiser expense is on a paid basis.  
 (3) Includes HSTA VB Medicare retirees. Kaiser could not provide a separate report for this group because the population is too small for reporting purposes.  
 (4) Does not include rebates.

Hawaii Employer-Union Health Benefits Trust Fund  
 Annual Report as of June 30, 2011  
 EUTF Retiree Medical and Prescription Drug Enrollment

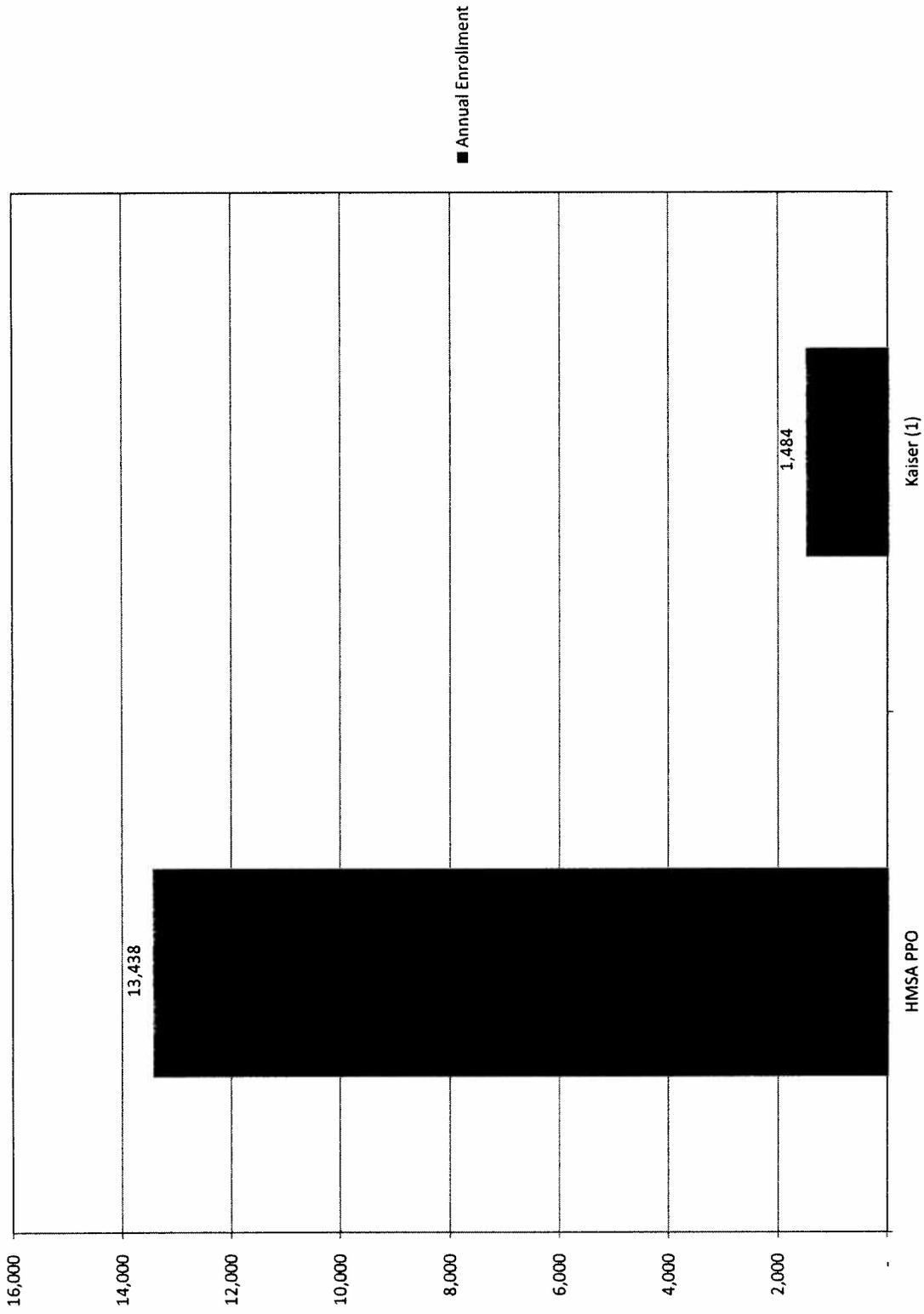


**Hawaii Employer-Union Health Benefits Trust Fund  
Annual Report as of June 30, 2011  
HSTA VB Retiree Medical and Prescription Drug Plan Experience**



(1) Does not include HSTA VB Medicare retirees.

Hawaii Employer-Union Health Benefits Trust Fund  
 Annual Report as of June 30, 2011  
 HSTA VB Retiree Medical and Prescription Drug Enrollment



(1) Does not include HSTA VB Medicare retirees.

**Hawaii Employer-Union Health Benefits Trust Fund  
Annual Report as of June 30, 2011**

**HDS Dental Benefit**

	EUTF	HSTA	HSTA Supplemental Plan
<b><u>ACTIVES</u></b>			
<b>Net Surplus / Deficit as of June 30, 2010</b>	\$ (327,373)	N/A	N/A
<b>Premiums</b>		\$ 3,925,869	\$ 87,938
Total Premium Earned at 100%	\$ 32,844,086		
Retrospective Premium at 5%	1,626,689		
Premium Received at 95%	\$ 31,217,397		
<b>Charges</b>			
Dental Services Incurred	\$ 29,253,555	\$ 3,749,096	\$ 66,011
Administrative Expense	1,616,006	184,986	6,249
Total Charges	\$ 30,869,561	\$ 3,934,081	\$ 72,260
<b>Net Surplus / Deficit</b>	\$ 347,836	\$ (8,212)	\$ 15,678
<b>Net Surplus / Deficit as of June 30, 2011</b>	\$ 20,462	N/A	N/A
<b>Total Enrollment</b>	551,538	63,135	2,216
<b><u>RETIREES</u></b>			
<b>Net Surplus / Deficit as of June 30, 2010</b>	\$ 552	N/A	N/A
<b>Premiums</b>		\$ 710,930	
Total Premium Earned at 100%	\$ 19,506,658		
Retrospective Premium at 5%	973,985		
Premium Received at 95%	\$ 18,532,672		
<b>Charges</b>			
Dental Services Incurred	\$ 17,879,482	\$ 756,516	
Administrative Expense	892,051	29,636	
Total Charges	\$ 18,771,533	\$ 786,152	
<b>Net Surplus / Deficit</b>	\$ (238,860)	\$ (75,222)	
<b>Net Surplus / Deficit as of June 30, 2011</b>	\$ (238,309)	N/A	
<b>Total Enrollment</b>	446,026	14,818	

**Hawaii Employer-Union Health Benefits Trust Fund  
Annual Report as of June 30, 2011**

**VSP Vision Benefit**

	EUTF	HSTA
<b><u>ACTIVES</u></b>		
Premium Income - Contract (includes COBRA)	\$ 4,942,843	\$ 612,484
Premium Income - Billed (includes COBRA)	\$ 4,698,311	\$ 582,042
<b>Expenses</b>		
Claims paid by Month	\$ 4,292,768	\$ 454,544
Claims incurred 7/01/09 - 6/30/10, Paid 7/01/10 - 9/30/10 (3 months)	(177,806)	(18,827)
Claims incurred 7/01/10 - 6/30/11, Paid 7/01/11 - 9/30/11 (3 months)	242,045	25,629
Administrative Expense	375,865	46,563
<b>Total Expense</b>	<b>\$ 4,732,872</b>	<b>\$ 507,909</b>
<b>Underwriting Surplus or Deficit - Contract</b>	<b>\$ 209,971</b>	<b>\$ 104,574</b>
<b>Underwriting Surplus or Deficit - Billed</b>	<b>\$ (34,561)</b>	<b>\$ 74,133</b>
<b>Total Enrollment</b>	<b>522,406</b>	<b>64,161</b>
<b><u>RETIREES</u> (Includes EUTF and HSTA combined)</b>		
Premium Income - Contract (includes COBRA)	\$ 3,307,229	
Premium Income - Billed (includes COBRA)	\$ 3,142,088	
Premium Income - COBRA	\$ 4,413	
<b>Expenses</b>		
Claims paid by Month	\$ 2,938,502	
Claims incurred 7/01/09 - 6/30/10, Paid 7/01/10 - 9/30/10 (3 months)	(145,096)	
Claims incurred 7/01/10 - 6/30/11, Paid 7/01/11 - 9/30/11 (3 months)	159,041	
Administrative Expense	251,367	
<b>Total Expense</b>	<b>\$ 3,203,814</b>	
<b>Underwriting Surplus or Deficit - Contract</b>	<b>\$ 103,415</b>	
<b>Underwriting Surplus or Deficit - Billed</b>	<b>\$ (61,726)</b>	
<b>Total Enrollment</b>	<b>469,781</b>	

**Hawaii Employer-Union Health Benefits Trust Fund  
Annual Report as of June 30, 2011**

**Royal State Chiropractic Benefit**

	EUTF	HSTA
<b><u>ACTIVES</u></b>		
<b>Premium Income</b>	\$ 1,072,971	\$ 141,567
Expenses		
Claims Incurred & Paid (Including Capitation Fees)	\$ 895,386	\$ 118,140
Incurred But Not Reported Claims	-	-
Retention	160,947	21,235
<b>Total Expenses</b>	<b>\$ 1,056,333</b>	<b>\$ 139,375</b>
<b>Net Surplus / Deficit</b>	<b>\$ 16,638</b>	<b>\$ 2,192</b>
<b>Total Enrollment</b>	<b>501,748</b>	<b>64,977</b>
<b><u>RETIREEES</u></b>		
<b>Premium Income</b>	N/A	\$ 27,572
Expenses		
Claims Incurred & Paid (Including Capitation Fees)		\$ 23,023
Incurred But Not Reported Claims		-
Retention		4,135
<b>Total Expenses</b>		<b>\$ 27,158</b>
<b>Net Surplus / Deficit</b>		<b>\$ 414</b>
<b>Total Enrollment</b>		<b>14,900</b>

**Hawaii Employer-Union Health Benefits Trust Fund  
Annual Report as of June 30, 2011**

**Standard Life Insurance Benefit**

	EUTF	HSTA
<b><u>ACTIVES</u></b>		
<b>Earned Premium</b>	\$ 2,644,359	\$ 312,671
Paid Claims	\$ 2,738,049	\$ 66,000
Change in Reported Reserves	(43,930)	3,000
Change in IBNR Reserves	(1,362)	46,962
Conversion Charges	-	-
<b>Total Incurred Claims</b>	<b>\$ 2,692,757</b>	<b>\$ 115,962</b>
Premium Taxes	\$ 72,719	\$ 8,598
Administration Fee	-	-
Other Expenses and Risk Charges	289,074	34,597
<b>Total Expenses and Risk Charges</b>	<b>\$ 361,793</b>	<b>\$ 43,195</b>
<b>Total Expense</b>	<b>\$ 3,054,550</b>	<b>\$ 159,157</b>
<b>Net Surplus / Deficit</b>	<b>\$ (410,191)</b>	<b>\$ 153,514</b>
<b>Total Enrollment</b>	<b>642,237</b>	<b>75,435</b>
<b><u>RETIREES</u></b>		
<b>Earned Premium</b>	\$ 1,655,881	\$ 62,817
Paid Claims	\$ 1,432,212	\$ 6,000
Change in Reported Reserves	(13,629)	3,000
Change in IBNR Reserves	2,050	9,429
Conversion Charges	4,100	-
<b>Total Incurred Claims</b>	<b>\$ 1,424,733</b>	<b>\$ 18,429</b>
Premium Taxes	\$ 45,537	\$ 1,727
Administration Fee	-	-
Other Expenses and Risk Charges	181,016	6,950
<b>Total Expenses and Risk Charges</b>	<b>\$ 226,553</b>	<b>\$ 8,677</b>
<b>Total Expense</b>	<b>\$ 1,651,286</b>	<b>\$ 27,106</b>
<b>Net Surplus / Deficit</b>	<b>\$ 4,595</b>	<b>\$ 35,711</b>
<b>Total Enrollment</b>	<b>402,282</b>	<b>15,261</b>