Understanding Your EUTF Health Benefits

Hawaii Employer-Union Health Benefits Trust Fund

This presentation is a brief summary and does not constitute a legal document or contract and is subject to change.

OBJECTIVES

- An introduction to the EUTF
- Understanding health insurance terms and definitions
- Understanding the different medical and prescription drug plans
- Knowing what to consider when selecting a health plan
- Learning why healthcare premiums are so high and why they keep going up
- Identifying ways to improve our health
An Introduction to the EUTF

Hawaii Employer-Union Health Benefits Trust Fund

- Established July 1, 2003
- HRS 87A
- State agency
- Attached to the Department of Budget & Finance
- 57 State positions
Hawaii Employer-Union Health Benefits Trust Fund

EUTF Board of Trustees:

- Governor appointed 10 member board
  - 5 employers / 5 employees
  - Oversees all EUTF activities

Hawaii Employer-Union Health Benefits Trust Fund

The EUTF is responsible for providing health coverage to nearly 200,000 State and County employees, retirees and their qualified dependents.
Hawaii Employer-Union Health Benefits Trust Fund

Total Membership:
- 70,000 active employees plus 60,000 dependents
- 45,000 retirees plus 20,000 dependents

Our Mission Statement:

We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs.

We provide service that is excellent, courteous, compassionate, and informative.
Reference Guide

- Enrollment procedures
- Premiums & contribution amounts
- Dependent eligibility criteria
- Health plan options
- Enrollment form

eutf.hawaii.gov
Important Terms & Definitions:

- Premiums
- Deductibles
- Maximum Out-of-Pocket
- Copayment & Coinsurance
- Primary care provider (PCP)
- In-network/Out-of-network providers
- Eligible charge
- PPO and HMO
- Brand name, generic and specialty drugs
### Premiums

**HAWAII EMPLOYEES UNION HEALTH BENEFITS TRUST FUND**

**EFFECTIVE JULY 1, 2016**

**Premiums — Monthly amount paid for health insurance**

<table>
<thead>
<tr>
<th>Benefit Plan</th>
<th>Type of Coverage</th>
<th>Single Monthly Employee Contribution</th>
<th>Monthly Employee Contribution</th>
<th>Monthly Employee Contribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPO-1 Plan - HMO Medical</td>
<td>Single</td>
<td>$482.77</td>
<td>$87.94</td>
<td>$10.04</td>
<td>$690.22</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>$268.72</td>
<td>$50.84</td>
<td>$6.05</td>
<td>$325.61</td>
</tr>
<tr>
<td>PPO-2 Plan - HMO Medical</td>
<td>Single</td>
<td>$84.77</td>
<td>$76.08</td>
<td>$9.18</td>
<td>$269.03</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>$205.34</td>
<td>$189.07</td>
<td>$21.36</td>
<td>$529.07</td>
</tr>
<tr>
<td>PPO-3 Plan - HMO Medical</td>
<td>Single</td>
<td>$391.37</td>
<td>$72.45</td>
<td>$8.53</td>
<td>$572.35</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>$201.64</td>
<td>$184.52</td>
<td>$20.01</td>
<td>$506.17</td>
</tr>
<tr>
<td>PPO-4 Plan - HMO Medical</td>
<td>Single</td>
<td>$81.72</td>
<td>$15.34</td>
<td>$1.81</td>
<td>$109.87</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>$222.62</td>
<td>$208.68</td>
<td>$24.02</td>
<td>$555.32</td>
</tr>
</tbody>
</table>

### Benefit Plan Design

Understanding the design and structure of benefit plans is crucial for managing healthcare costs effectively.

### Healthcare Inflation

Inflation in healthcare costs is a significant factor to consider when designing and budgeting for health benefits.

### Utilization

Managing healthcare utilization is essential for controlling costs and ensuring employees receive the necessary care.
**Deductible**

Deductible – a fixed dollar amount you must pay each calendar year before health insurance benefits are applied.

**Maximum Out-of-Pocket**

Maximum out-of-pocket (MOOP) - financial protection against catastrophic illness or injury. The benefit provides an annual cap for your out-of-pocket expenses within a calendar year and is automatically tracked by the health insurance company.
Copayment & Coinsurance

Copayment & Coinsurance – your out-of-pocket cost
- **Copayment** – fixed dollar amount
- **Coinsurance** – percentage
Important Terms & Definitions:

- **Primary care provider (PCP)** – a provider (usually an internist, family/general practitioner or pediatrician) who provides a range of services and coordinates their patient’s care.

- **In-network/Out-of-network providers** – Physicians, hospitals, pharmacies, laboratories or other providers who are either contracted with your insurance carrier or in-network or not contracted with your insurance carrier or out-of-network.

- **Eligible charge** – Contractual amount the health plan agrees to pay in-network providers for services.

---

Important Terms & Definitions:

**PPO vs HMO**

- **Preferred Provider Organization (PPO)**
  - Freedom of choice
  - Offers in and out of network benefits
  - Out-of-pocket cost based on coinsurance

- **Health Maintenance Organization (HMO)**
  - Select a PCP who will coordinate care
  - Out-of-network services require a referral
  - Out-of-pocket cost based on copayments
Important Terms & Definitions:

Prescription Drug Terms

- **Brand Name** – FDA approved prescription drugs that have a trade name and are protected by a patent. (i.e., Lipitor®)

- **Generic** – FDA approved prescription drugs that are manufactured and marketed after the expiration date of the patent or other exclusive rights. (i.e., Atorvastatin – generic for Lipitor®)

- **Specialty Drugs** – High-cost prescription medications used to treat complex, chronic conditions like cancer, rheumatoid arthritis and multiple sclerosis. Specialty drugs often require special handling (like refrigeration during shipping) and administration (such as injection or infusion).

Medical & Prescription Drug Plans
### EUTF Medical Plan Options

<table>
<thead>
<tr>
<th>HMSCA</th>
<th>Kaiser Permanente</th>
<th>Royal State National*</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUTF 90/10 PPO Plan</td>
<td>HMO Comprehensive Plan</td>
<td>Supplemental Plan</td>
</tr>
<tr>
<td>EUTF 80/20 PPO Plan</td>
<td>HMO Standard Plan</td>
<td>(Reimbursement for medical &amp; prescription drug)</td>
</tr>
<tr>
<td>EUTF 75/25 PPO Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUTF HMO Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CVS Caremark</td>
<td>Kaiser</td>
<td></td>
</tr>
<tr>
<td>Prescription Drug Plan</td>
<td>Prescription Drug Plan</td>
<td></td>
</tr>
<tr>
<td>Chiropractic Benefits</td>
<td>Chiropractic Benefits</td>
<td></td>
</tr>
<tr>
<td>ChiroPlan Hawai'i Inc.</td>
<td>ChiroPlan Hawai'i Inc.</td>
<td></td>
</tr>
</tbody>
</table>

*Enrollees must have primary coverage from a non-EUTF medical and prescription drug plan

### EUTF Medical Plan Membership

- **HMSA 80/20 PPO**: 50%
- **Kaiser Comprehensive**: 15%
- **HMSA 90/10 PPO**: 14%
- **Kaiser Standard**: 10%
- **HMSA HMO**: 5%
- **HMSA 75/25 PPO**: 4%
- **Royal State National**: 2%
**Premium & Contribution Table**

**Determining employee’s share**

- Available online at: [eutf.hawaii.gov](http://eutf.hawaii.gov)
- Grouped according to your bargaining unit or “00”
- Benefit plan options
- Type of enrollment (Coverage Tier)

<table>
<thead>
<tr>
<th>Coverage Tier</th>
<th>Self</th>
<th>Self + 1</th>
<th>Self + 2 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self only</td>
<td>$107.27</td>
<td>$177.60</td>
<td>$236.93</td>
</tr>
<tr>
<td>Self + 1</td>
<td>$266.90</td>
<td>$333.22</td>
<td>$400.54</td>
</tr>
<tr>
<td>Self + 2 or more</td>
<td>$533.80</td>
<td>$600.14</td>
<td>$666.44</td>
</tr>
</tbody>
</table>

**Premiums**

<table>
<thead>
<tr>
<th>Benefit Plan</th>
<th>Type of Enrollment</th>
<th>Single</th>
<th>Single + 2</th>
<th>Single + 2 or more</th>
<th>Family</th>
<th>Family + 2 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPO - Blue/Orange Plan - HMO Medical</td>
<td>Self</td>
<td>$107.27</td>
<td>$177.60</td>
<td>$236.93</td>
<td>$533.80</td>
<td>$600.14</td>
</tr>
<tr>
<td>PPO - Blue/Orange Plan - HMO Prescription Drug</td>
<td>Self</td>
<td>$107.27</td>
<td>$177.60</td>
<td>$236.93</td>
<td>$533.80</td>
<td>$600.14</td>
</tr>
<tr>
<td>PPO - Blue/Orange Plan - HMO Vision</td>
<td>Self</td>
<td>$107.27</td>
<td>$177.60</td>
<td>$236.93</td>
<td>$533.80</td>
<td>$600.14</td>
</tr>
<tr>
<td>PPO - Blue/Orange Plan - HMO Dental</td>
<td>Self</td>
<td>$107.27</td>
<td>$177.60</td>
<td>$236.93</td>
<td>$533.80</td>
<td>$600.14</td>
</tr>
<tr>
<td>PPO - Blue/Orange Plan - HMO Other</td>
<td>Self</td>
<td>$107.27</td>
<td>$177.60</td>
<td>$236.93</td>
<td>$533.80</td>
<td>$600.14</td>
</tr>
<tr>
<td>PPO - Blue/Orange Plan - HMO Other</td>
<td>Family</td>
<td>$333.22</td>
<td>$400.54</td>
<td>$467.86</td>
<td>$966.44</td>
<td>$1,143.76</td>
</tr>
</tbody>
</table>
Changes effective July 1, 2016

Medical Coverage

EUTF & HSTA VB HMSA and Kaiser Plans
• Autism benefit
• Orthodontic services for orofacial anomalies

EUTF HMSA Plans
• Advanced care planning
• Dr. Dean Ornish Program for heart disease
  (Facilities located on Oahu and Kona)

EUTF HMSA 80/20 & 75/25 plans
• Physician services — from copayment to coinsurance
• Outpatient diagnostic lab coinsurance
• Out-of-Network —
  • $250/$750 deductible (80/20)
  • Coinsurance increases
• Emergency Room — copayments to coinsurance

Changes effective July 1, 2016

EUTF Prescription Drug Coverage

EUTF CVS Caremark (HMSA members)
• Copayments
• Retail 90-Network
• Maximum Out-of-Pocket

EUTF Kaiser Prescription Drug
• Kaiser Comprehensive and Standard Plan copayments
CVS Prescription Drugs

30-day supply copayments

<table>
<thead>
<tr>
<th></th>
<th>Previous Copay</th>
<th>July 1, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic Drugs</td>
<td>$5</td>
<td></td>
</tr>
<tr>
<td>Preferred Brand</td>
<td>$15</td>
<td>$25</td>
</tr>
<tr>
<td>Non-Preferred Brand</td>
<td>$30</td>
<td>$50</td>
</tr>
<tr>
<td>Specialty 20%</td>
<td>$250 max per fill &amp; $2,000 annual max</td>
<td></td>
</tr>
</tbody>
</table>

Previous Retail Drug Copays

- 20% Specialty Tier (added 01/2010)
- $30.00
- $15.00
- $5.00 Generic

New Retail Drug Copays

- 20% Specialty Tier (added 01/2010)
- $50.00
- $25.00
- $5.00 Generic

Premium Increase 8.8%

2003 – June 30, 2016 (30-Day Supply)

Effective July 1, 2016 (30-Day Supply)
### Kaiser Prescription Drug

**Comprehensive Plan 30-day supply copayments**

<table>
<thead>
<tr>
<th>Previous</th>
<th>July 1, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic Tier 1</td>
<td>$15</td>
</tr>
<tr>
<td></td>
<td>Generic Tier 1</td>
</tr>
<tr>
<td></td>
<td>$5</td>
</tr>
<tr>
<td>Generic Tier 2</td>
<td>$15</td>
</tr>
<tr>
<td></td>
<td>Generic Tier 2</td>
</tr>
<tr>
<td></td>
<td>$10</td>
</tr>
<tr>
<td>Brand</td>
<td>$15</td>
</tr>
<tr>
<td></td>
<td>Brand</td>
</tr>
<tr>
<td></td>
<td>$35</td>
</tr>
<tr>
<td>Specialty</td>
<td>$75</td>
</tr>
<tr>
<td></td>
<td>Specialty</td>
</tr>
</tbody>
</table>
### Kaiser Prescription Drug

**Standard Plan 30-day supply copayments**

<table>
<thead>
<tr>
<th>Previous</th>
<th>July 1, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic Tier 1</td>
<td>$5</td>
</tr>
<tr>
<td>Generic Tier 2</td>
<td>$15</td>
</tr>
<tr>
<td>Brand</td>
<td>$50</td>
</tr>
<tr>
<td>Specialty</td>
<td>$75</td>
</tr>
</tbody>
</table>

### Employer Contribution
How Employer Contributions are Determined

- Employer contribution towards health plans are negotiated between the employers and the unions. They are described in the collective bargaining agreements for employees included in bargaining units.
- They are described in the executive order for elected and appointed officials and employees excluded from bargaining units.

Employer contribution for medical, and chiropractic plans is currently a set dollar amount that approximates 60% of the HMSA 80/20 PPO plan bundle.

60% of the HMSA 80/20 PPO Plan bundle
How Employer Contributions are Determined

Employer contributes 60%:
- Prescription drug premium
- Dental premium
- Vision premium
- Supplemental plan premium
- EUTF administrative fee
Maximum Out-of-Pocket

- Financial protection
- Insurance keeps track of out-of-pocket
- When MOOP is reached – 100% coverage
- Resets every calendar year

### EUTF ACTIVES

#### Medical Plan Coverage Chart (HMSA, Kaiser, RSN) - EUTF

<table>
<thead>
<tr>
<th>Plan Design</th>
<th>EUTF 90/10 PPO Plan</th>
<th>EUTF 80/20 PPO Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>In Network</td>
<td>In Network</td>
</tr>
<tr>
<td>HMSA</td>
<td>Out-of-Network*</td>
<td>Out-of-Network*</td>
</tr>
<tr>
<td>Calendar Year</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Eligible</td>
<td>$0.00 per person;</td>
<td>$0.00 per person;</td>
</tr>
<tr>
<td>Eligible</td>
<td>$3,000 per family;</td>
<td>$3,000 per family;</td>
</tr>
<tr>
<td>MOOP</td>
<td>$2,000/$4,000</td>
<td>$2,500/$5,000</td>
</tr>
<tr>
<td>Lifetime Benefit Maximum</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

### Kimo is considering enrolling in the HMSA Family 90/10 or 80/20 plan.

#### HMSA PPO Plans

<table>
<thead>
<tr>
<th></th>
<th>HMSA 90/10</th>
<th>HMSA 80/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Employee Premium Contribution</td>
<td>$11,610</td>
<td>$7,997</td>
</tr>
</tbody>
</table>

Kimo's family estimates $30,000 ($10,000 each) in medical expenses through in-network HMSA providers from April through June 2017.

<table>
<thead>
<tr>
<th></th>
<th>HMSA 90/10</th>
<th>HMSA 80/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coinsurance 10%</td>
<td>$3,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Maximum Out-Of-Pocket (MOOP)</td>
<td>$4,000 Not met</td>
<td>$5,000 Met</td>
</tr>
</tbody>
</table>

### Total Estimated Annual Cost:

- **HMSA 90/10**: $14,610
- **HMSA 80/20**: $12,997

Total estimated annual savings under the HMSA 80/20 plan: **$1,613**
Malia is considering enrolling in the Kaiser Comprehensive or Standard plan.

<table>
<thead>
<tr>
<th>Kaiser HMO Plans</th>
<th>Comprehensive Plan</th>
<th>Standard Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Employee Premium Contribution</td>
<td>$7,963</td>
<td>$2,573</td>
</tr>
<tr>
<td>Malia and her two dependents are anticipating $100,000 in in-patient hospital costs at an in-network Kaiser facility this year.</td>
<td>No Charge</td>
<td>Coinsurance-15%  $7,500</td>
</tr>
<tr>
<td>Maximum Out-Of-Pocket (MOOP)</td>
<td>$6,000 Not met</td>
<td>$7,500 Met</td>
</tr>
</tbody>
</table>

Total Estimated Annual Cost: $7,963 $10,073

Total estimated annual savings under the Kaiser Comprehensive plan: $2,110

Understanding Healthcare Cost

12/6/2016
Premiums Factors

1. Benefit Plan Design

2. Healthcare Inflation

3. Utilization
**Supplemental Plan (Co-Payment Plan) - EUTF Royal State National Supplemental**

If you have a primary medical plan through your non-State/County employed spouse/D/P/C/U/P or another source, you can choose this plan. Covered medical expenses that are not covered by the other primary medical plan such as that plan's copays or coinsurance are paid under this plan. Covered expenses include copays for prescription drugs so there is not a separate drug plan offered with the supplemental plan. You can enroll in the supplemental plan only if you have primary medical plan coverage not provided through the State or counties.

---

**EUTF ACTIVES**

Medical Plan Coverage Chart (HMSA, Kaler, RSN) - EUTF

<table>
<thead>
<tr>
<th>Plan Design</th>
<th>EUTF 99/10 FPO Plan</th>
<th>EUTF 99/09 FPO Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,000/$4,000</td>
<td>$2,000/$4,000</td>
</tr>
<tr>
<td></td>
<td>$500/$1,000</td>
<td>$500/$1,000</td>
</tr>
<tr>
<td></td>
<td>$100/$200</td>
<td>$100/$200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>In Hospital</th>
<th>Out Hospital</th>
<th>In Office</th>
<th>Out Office</th>
<th>In Network</th>
<th>Out Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Visits</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Hospitalization</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Surgery</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Lab &amp; X-Ray</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
The higher the benefits, the higher your monthly premium will be.

Premiums Factors

2. Healthcare Inflation
3. Utilization

**Generic Drugs**
- $80\%$
- Safe
- Effective
- FDA Approved
- Same active ingredients

**Brand Drugs**
- $$$

---

**Premium Factors**
MAIL ORDER | RETAIL PHARMACY

<table>
<thead>
<tr>
<th>Time</th>
<th>Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>US MAIL</td>
<td>RX</td>
</tr>
</tbody>
</table>

90 day fill for a 60 day copay

MAIL ORDER | RETAIL PHARMACY

<table>
<thead>
<tr>
<th>Time</th>
<th>Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>RX</td>
<td>RX</td>
</tr>
</tbody>
</table>

CVS: 1-855-801-8263
Kaiser: 1-808-643-7979
caremark.com/eutf
my.kp.org/eutf
EMERGENCY VISITS

- EXCESSIVE BLEEDING
- LOSS OF CONSCIOUSNESS
- BROKEN BONES
- CHEST PAINS
- DIFFICULTY BREATHING

$1,200+

VS

PHYSICIAN VISITS

- PRIMARY PROVIDER
- MEDICAL RECORDS
- NON-EMERGENT CARE
- FOLLOW UP VISITS

$65

EMERGENCY VISITS

Non-Emergent After-Hour Alternatives

Urgent Care Facilities
EUTF Contact Information

- Call
  Phone: 808-586-7390
  Toll-Free: 1-800-295-0089

- E-mail
eutf@hawaii.gov

- Website
eutf.hawaii.gov

- Mailing Address
  P.O. Box 2121
  Honolulu, HI 96805-2121

- Walk-in
  Oahu: City Financial Tower
  201 Merchant Street, Suite 1700
  Honolulu, HI 96813
  (No validated parking)

- Office Hours:
  Monday – Friday
  7:45am - 4:30pm
  (except State holidays)
Mahalo!