



JOSH GREEN, M.D.
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STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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DONNA A. TONAKI

May 15, 2024

NOTICE OF MEETING
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
BENEFITS COMMITTEE

DATE: May 21, 2024, Tuesday
TIME: 9:00 a.m.
PLACE: HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND (EUTF)
CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1700
HONOLULU, HAWAII

A G E N D A

**OPEN SESSION PARTICIPATION IN PERSON, VIA TELECONFERENCE AND
VIA TELEPHONE**
(see below for teleconference and telephone details)

- I. Call to Order
- II. Review of Minutes – April 9, 2024
- III. New Business
 - A. Utilization Reports for the period ending December 31, 2023
 - 1. Kaiser Permanente Semi-Annual Utilization Report
 - 2. HMSA Semi-Annual Utilization Report
 - 3. VSP Annual Retiree Utilization Report
 - 4. HDS Annual Retiree Utilization Report
 - B. Proposed Plan Changes
 - 1. HDS
 - 2. Kaiser Permanente
 - 3. HMSA
 - 4. Humana
 - 5. CVS
 - C. 2024 Segal Retiree Annual Report
 - D. Segal Open Panel HMO Analysis (informational only)

EUTF's Mission: 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 informed service that is excellent, courteous, and compassionate.

IV. Next Meeting – July 9, 2024

The next meeting agenda will include updates on the CVS drug pricing model and the Inflation Reduction Act.

V. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Ms. Desiree Yamauchi at (808) 587-5434 or eutfadmin@hawaii.gov, as soon as possible, preferably at least 3 business days prior to the meeting. Requests made as early as possible have a greater likelihood of being fulfilled.

Testimony may be submitted prior to the meeting via email to eutfadmin@hawaii.gov or via postal mail to: Hawaii Employer-Union Health Benefits Trust Fund, Attn: Benefits Committee-Testimony, 201 Merchant Street, Suite 1700, Honolulu, HI 96813. Please include the word “testimony”, the agenda item number, and subject matter following the address line. There is no deadline for submission of testimony, however, the EUTF requests that all written testimony be received no later than 9:00 a.m., one (1) business day prior to the meeting date in order to afford Board members adequate time to review materials.

To view the meeting and provide live oral testimony during the meeting, following are the Microsoft Teams Meeting details:

- [Click here to join the meeting](https://teams.microsoft.com/l/meetup-join/19%3ameeting_YjRiMjg4MWQtODg5NC00Nzk4LWJhYjgtYzY4YTAwYTYxNDQ2%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%221ec28820-992a-428a-a6a0-44c156209163%22%7d) or copy and paste the following URL into your browser:
https://teams.microsoft.com/l/meetup-join/19%3ameeting_YjRiMjg4MWQtODg5NC00Nzk4LWJhYjgtYzY4YTAwYTYxNDQ2%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%221ec28820-992a-428a-a6a0-44c156209163%22%7d
 - For instructions to turn on live captions in Microsoft Teams, [please click here](#).
- Dial-in number: [+1 808-829-4853](tel:+18088294853) United States, Honolulu (Toll)
- Phone Conference ID: 530 381 724#

A listing of all documents included in the Board packet will be available at the EUTF website (eutf.hawaii.gov) through the Events Calendar two (2) business days prior to the meeting.

The Board packet can be accessed at the EUTF website (eutf.hawaii.gov) through the Events Calendar two (2) business days prior to the meeting. A copy of the packet will also be available for public inspection in the EUTF office at that time.

Please contact Ms. Desiree Yamauchi at (808) 587-5434 or eutfadmin@hawaii.gov if you have any questions.

Upon request, an electronic copy of this notice can be provided.

1 HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
2 Minutes of the Benefits Committee Meeting
3 Tuesday, April 9, 2024
4

5 TRUSTEES PRESENT

6 Mr. Wesley Machida, Vice Chairperson Ms. Maureen Wakuzawa
7 Mr. Christian Fern (via video conference, excused at 10:30 a.m.) Mr. James Wataru
8 Ms. Jacqueline Ferguson-Miyamoto Mr. Ryan Yamane
9 Ms. Audrey Hidano Mr. Robert Yu

10
11 TRUSTEES ABSENT

12 Mr. Osa Tui, Chairperson Ms. Sabrina Nasir

13
14 ATTORNEY

15 Mr. Michael Chambrella, Deputy Attorney General

16
17 EUTF STAFF

18 Mr. Derek Mizuno, Administrator Ms. Lara Nitta
19 Ms. Desiree Yamauchi Ms. Melissa-Kim Tom (via video conference)

20
21 CONSULTANTS

22 Ms. Shelley Chun, Segal Mr. Stephen Murphy, Segal (via video conference)

23
24 OTHERS PRESENT (via video conference or teleconference, unless otherwise noted)

25 Ms. Stacia Baek, HDS Ms. Vanelle Hirayasu, Verdegard
26 Ms. Sandra Benevides, CVS (in person) Ms. Monica Kim, VSP
27 Ms. Tammi Bongoll, Kaiser Ms. Joey Lee, HDS
28 Mr. Ty Bowers, CVS (in person) Ms. Joni Lozano, CVS
29 Ms. Cheryl Byron, CVS (in person) Mr. Kurt Neuenfeld, CVS (in person)
30 Mr. Francis Cuenca, CVS Mr. Dave Shiroma, Kaiser
31 Mr. Justin Emerson, CVS Ms. Jenny Smith, Humana
32 Mr. Thomas England, Kaiser Mr. Troy Tomita, Kaiser
33 Ms. Kjrستن Elsner, Securian Ms. Anne VanHaaren, CVS (in person)
34 Ms. Samantha Furutani, CVS (in person)

35
36 I. CALL TO ORDER

37 The meeting of the Benefits Committee of the Hawaii Employer-Union Health Benefits Trust
38 Fund (EUTF) was called to order at 9:00 a.m. by Trustee Wesley Machida, Vice Chairperson,
39 in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday,
40 April 9, 2024.

41
42 II. REVIEW OF MINUTES – February 6, 2024

43 The Benefits Committee reviewed the draft minutes of February 6, 2024.

44
45 MOTION was made and seconded to approve the minutes of February 6, 2024, as circulated.
46 (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-4/
47 Employee-Beneficiary Trustees-4)

48
49 III. NEW BUSINESS

50 A. CVS/SSI Semi-Annual Utilization Report for the period ending December 31, 2023
51 Ms. Sandra Benevides, Mr. Ty Bowers, Mr. Kurt Neuenfeld, and Ms. Anne VanHaaren,
52 CVS presented prescription drug plan reports for the six months ended for EUTF active

1 plans and 12 months ended for retiree plans noting claim trends per member per month
2 (PMPM) of 20.3% actives, 5.0% non-Medicare retirees and 12.6% EGWP. The
3 Committee, CVS/SSI and Segal discussed GLP-1 prescription drugs to treat diabetes and
4 weight loss that are driving trends. EUTF plans already have utilization management
5 programs in place for GLP-1 utilization for both diabetes and weight management.
6

7 B. Segal Closed Non-Specialty Formulary Analysis (information only)

8 Mr. Derek Mizuno presented the current formulary for specialty (closed) and non-specialty
9 (open) for the active and non-Medicare retiree plans and the current EGWP and wrap
10 plans for Medicare retirees. Ms. Shelley Chun, Segal, presented two plan change options
11 to the active and non-Medicare retiree plans, the Hyperinflation Management program and
12 the Basic Control Formulary, that would exclude drugs or add utilization management
13 programs on certain drug classes, respectively, with the associated member disruption and
14 projected annual savings. The Committee, CVS/SSI and Segal discussed issues related to
15 making these changes such as member disruption, member and physician notification, the
16 appeal process, what other states are doing, and previous CVS client experience. CVS and
17 Segal will present more information for possible adoption at a future Committee meeting.
18

19 C. CVS/SSI Prescription Drug Plan Changes

20 1. Auvi-Q Formulary Update

21 Ms. Benevides noted that in May 2017, the Board excluded Auvi-Q, an epinephrine
22 autoinjector, from the EUTF active and non-Medicare plans due to high cost and
23 available alternatives, a generic and the Epi-pen. CVS was able to negotiate a lower
24 price for Auvi-Q and has added it back to their standard formularies. CVS is
25 recommending coverage of Auvi-Q effective July 1, 2024.
26

27 MOTION was made and seconded to recommend to the Board coverage of Auvi-Q
28 under the EUTF active and non-Medicare retiree prescription drug plans administered
29 by CVS effective July 1, 2024. (Ferguson-Miyamoto/Wataru) The motion passed
30 unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)
31

32 2. Antidiabetic GLP-1 Smart Logic Update (informational only)

33 Ms. Benevides provided an update on the antidiabetic GLP-1 smart logic criteria for
34 prior authorization under the EUTF active and non-Medicare retiree plans that will
35 take effect May 1, 2024.
36

37 3. Inflation Reduction Act Update

38 Mr. Bowers provided an update on the changes due to the Inflation Reduction Act that
39 will impact EGWP plans in 2025. One of the main changes that EUTF and HSTA VB
40 EGWP members will see is the addition of a calendar year maximum-out-of-pocket
41 limit (MOOP) of \$2,000. To limit member confusion, EUTF staff, Segal and SSI
42 recommended addition of a \$2,000 MOOP to the EUTF and HSTA VB EGWP wrap
43 plans effective January 1, 2025 since the members view the EGWP and wrap plan as
44 one plan. In addition, to create a seamless transition between the non-Medicare retiree
45 and EGWP plans, EUTF staff, Segal and SSI recommended a \$2,000 MOOP on the
46 EUTF and HSTA VB non-Medicare plans effective January 1, 2025. To offset the
47 projected additional annual costs to the plan, the Committee could recommend a \$10
48 increase to the 30-day supply of non-preferred brands to the EUTF non-Medicare

1 retiree and EGWP plans. A days supply over 30 would continue to be two times the
2 30-day copay amount for non-Medicare retiree plan Retail 90 pharmacies and mail
3 order, and at EGWP pharmacies.
4

5 Trustee Fern was excused from the meeting at 10:30 a.m. during the presentation.
6

7 MOTION was made and seconded to recommend to the Board:

- 8 1. Adding a \$2,000 calendar year annual maximum out-of-pocket (MOOP) to the
- 9 EUTF and HSTA VB EGWP plans administered by SilverScript and
- 10 2. Removing the \$2,000 specialty calendar year MOOP from the EUTF EGWP plan
- 11 administered by SilverScript
- 12 effective January 1, 2025, as required by federal law. (Ferguson-Miyamoto/Yu) The
- 13 motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)
- 14

15 MOTION was made and seconded to recommend to the Board:

- 16 1. Adding a \$2,000 calendar year MOOP to the EUTF EGWP wrap plan administered
- 17 by CVS and increasing copayments from \$30 to \$40 on 30-day supplies and \$60 to
- 18 \$80 on over 30-day supplies for non-preferred brands on the EUTF EGWP and
- 19 wrap plans administered by SilverScript and CVS, respectively, and
- 20 2. Adding a \$2,000 calendar year MOOP, removing the \$2,000 specialty calendar
- 21 year MOOP and increasing copayments from \$30 to \$40 on 30-day supplies, \$60
- 22 to \$80 on 60-day supplies and 90-day supplies at Retail 90 pharmacies and mail
- 23 order, and \$90 to \$120 on 90-day supplies at non-Retail 90 pharmacies for non-
- 24 preferred brands on the EUTF non-Medicare plan administered by CVS
- 25 effective January 1, 2025. (Ferguson-Miyamoto/Wataru) The motion passed
- 26 unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)
- 27

28 MOTION was made and seconded to recommend to the Board:

- 29 1. Adding a \$2,000 calendar year MOOP to the HSTA VB EGWP wrap plan
- 30 administered by CVS, and
- 31 2. Adding a \$2,000 calendar year MOOP on the HSTA VB non-Medicare plan
- 32 administered by CVS
- 33 effective January 1, 2025. (Ferguson-Miyamoto/Wataru) The motion passed
- 34 unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)
- 35

36 IV. NEXT MEETING DATE – May 21, 2024

37 The next meeting agenda will include the HMSA, Kaiser Permanente, HDS, and VSP
38 utilization reports and Segal retiree annual report for the period ending December 31, 2023
39 and retiree plan changes effective January 1, 2025.
40

41 V. ADJOURNMENT

42 MOTION was made and seconded to adjourn the meeting at 10:38 a.m. (Ferguson-Miyamoto/
43 Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary
44 Trustees-3)
45

46 Respectfully submitted,
47
48

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Benefits Committee Meeting

April 9, 2024 Minutes

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Osa Tui, Chairperson

Documents Distributed:

1. Draft Benefits Committee Minutes of February 6, 2024. (2 pages)
2. RxInsights, EUTF-Actives, July 2023 – December 2023, Prescription Drug Benefit Review, prepared by CVS Health, Redacted Version. (14 pages)
3. RxInsights, EUTF Non-Medicare Retiree Report, January 2023 – December 2023, Prescription Benefit Review, prepared by CVS Health, Redacted Version. (19 pages)
4. RxInsights, EUTF Medicare Retirees, Jan 2023 – Dec 2023, Prescription Benefit Review, prepared by CVS Health, Redacted Version. (19 pages)
5. Memorandum to Benefits Committee from Program Specialist, regarding Prescription Drug Plan Overview - CONFIDENTIAL, dated April 1, 2024, Redacted Version. (4 pages)
6. Memorandum to EUTF Benefits Committee from Segal Consulting, regarding Closed non-specialty formulary analysis (informational only), dated March 28, 2024, Redacted Version. (24 pages)
7. Memorandum to BOT-EUTF from CVS Caremark, regarding Auvi-Q-Formulary Update, dated April 9, 2024, Redacted Version. (1 page)
8. Memorandum to BOT-EUTF from CVS Caremark, regarding GLP-1 and GIP/GLP-1 Agonist Prior Authorization Update eff. 5/1/2024, dated April 9, 2024, Redacted Version. (1 page)
9. EUTF Retirees, 2025 Medicare Redesign and Spending Cap, Non-Medicare and Medicare Retiree Options, prepared by SilverScript, dated April 9, 2024, Redacted Version. (17 pages)

DRAFT



PUBLIC

Hawaii Employer-Union Health Benefits Trust Fund

Cost and Utilization Summary

Non-Medicare Retirees and Actives

Benefits Committee Meeting
05/21/2024

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Non-Medicare Retirees

- **Executive Summary**
- **Membership Overview**
- **Paid Claims Comparisons**

Actives Six Month Update

- **Executive Summary**
- **Membership Overview**
- **Paid Claims Comparisons**

Appendix

Non-Medicare Retirees

Includes Early Retirees and the Non-Medicare dependents of Retirees enrolled in KPSA

- Kaiser Permanente Senior Advantage (KPSA) members of the EUTF are not included in the costs and utilizations report.

Executive Summary Non-Medicare Retirees

Service Category	Prior Year PMPM	Current Year PMPM	Year Over Year	
	CY 2022	CY 2023	\$ Change	% Change
Inpatient	\$135.64	\$113.37	(\$22.27)	(16.4%)
Outpatient	\$363.30	\$406.60	\$43.30	11.9%
Pharmacy	\$83.56	\$91.96	\$8.40	10.1%
Other	\$122.38	\$124.05	\$1.67	1.4%
Total	\$704.88	\$735.98	\$31.10	4.4%

Overall Total Paid Claims increased by 4.4% or \$31.10 Per Member Per Month (PMPM), this was driven by an increase within Outpatient of 11.9% or \$43.30 PMPM mitigated by a decrease within Inpatient of (16.4%) or (\$22.27) PMPM.

While the CY 2023 PMPM of \$735.98 increased by 4.4% year over year, it is less than the total paid dollars PMPM during CY 2019, 2020 and 2021.

*Health Plan % Change is demographically adjusted based on the gender / age mix of the Non-Medicare Retiree population.

Executive Summary Non-Medicare Retirees - continued

Membership

- 83% of Kaiser Permanente membership are in our community-rated Medicare Advantage plans marketed as Kaiser Permanente Senior Advantage. More recently, EUTF Retiree membership decreased by (0.3%) while the 4-year average growth rate is 1.4%
- The utilization and cost metrics discussed in these slides are for the non-Medicare members. These would be retirees who are not yet Medicare eligible or dependents of a retiree who are not yet Medicare eligible

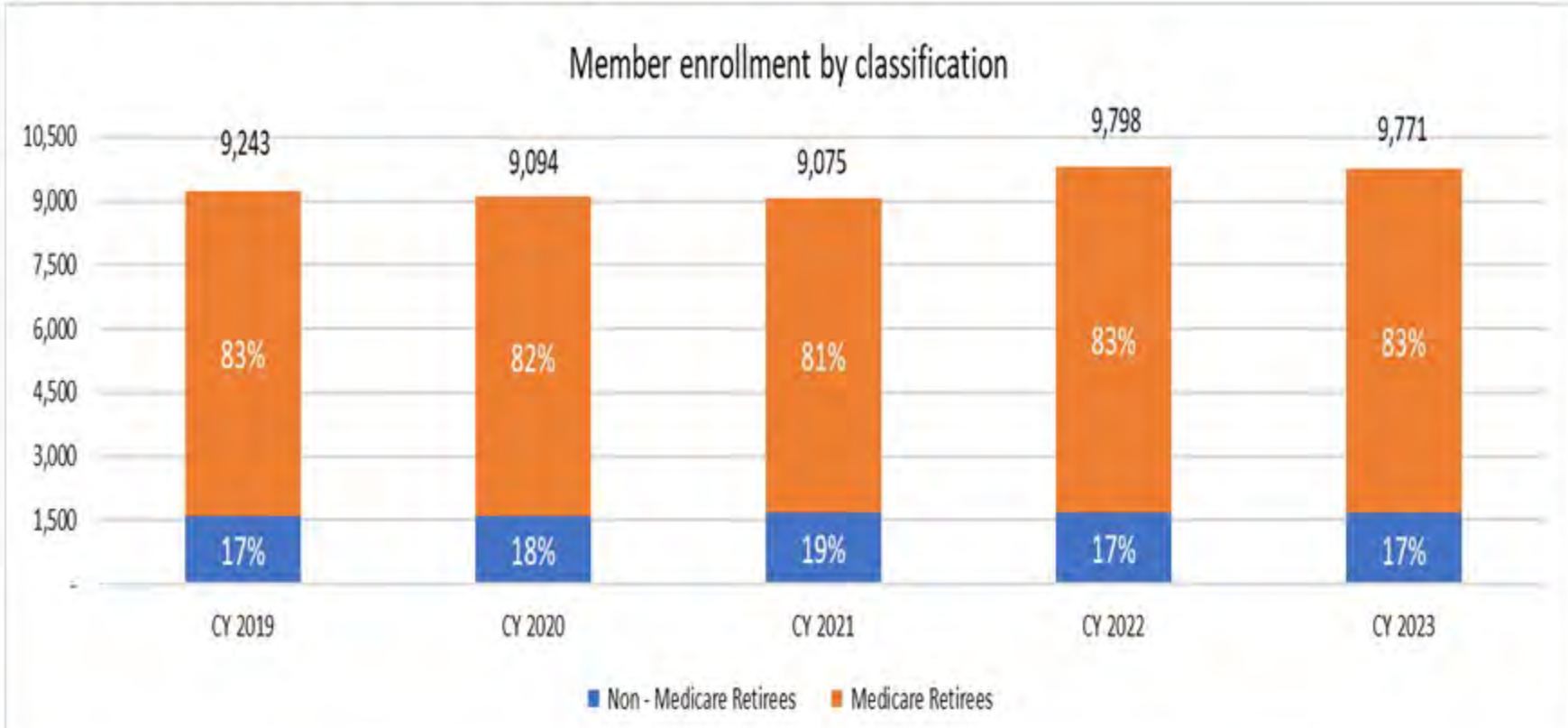
Inpatient: \$22.27 pmpm decrease (16.4%)

- Average Length of Stay decreased from 9.0 to 5.5 (38.9%)
- Days / 1,000 decreased from 436.7 to 255.9 (41.4%)
- Admits / 1,000 slightly decreased from 48.3 to 46.2 (4.3%)

Outpatient: \$43.30 pmpm increase +11.9%

- Visits / 1,000 decreased from 12,624.6 to 12,225.1 (3.2%)
 - Prior to COVID-19, the Visits / 1,000 averaged over CY 2018 and 2019 was 12,294.7
- Average Costs per Visit increased from \$345.32 to \$399.12 +15.6%
 - Driving the Average Costs Increase from CY 2022 to CY 2023 is due to a mix of a couple of things:
 - » 1. Decreasing COVID-19 Testing and Vaccinations which have a lower unit cost.
 - » 2. Increasing utilization in higher costing services and procedures done in CY 2023 versus CY 2022.

Membership Overview by classification

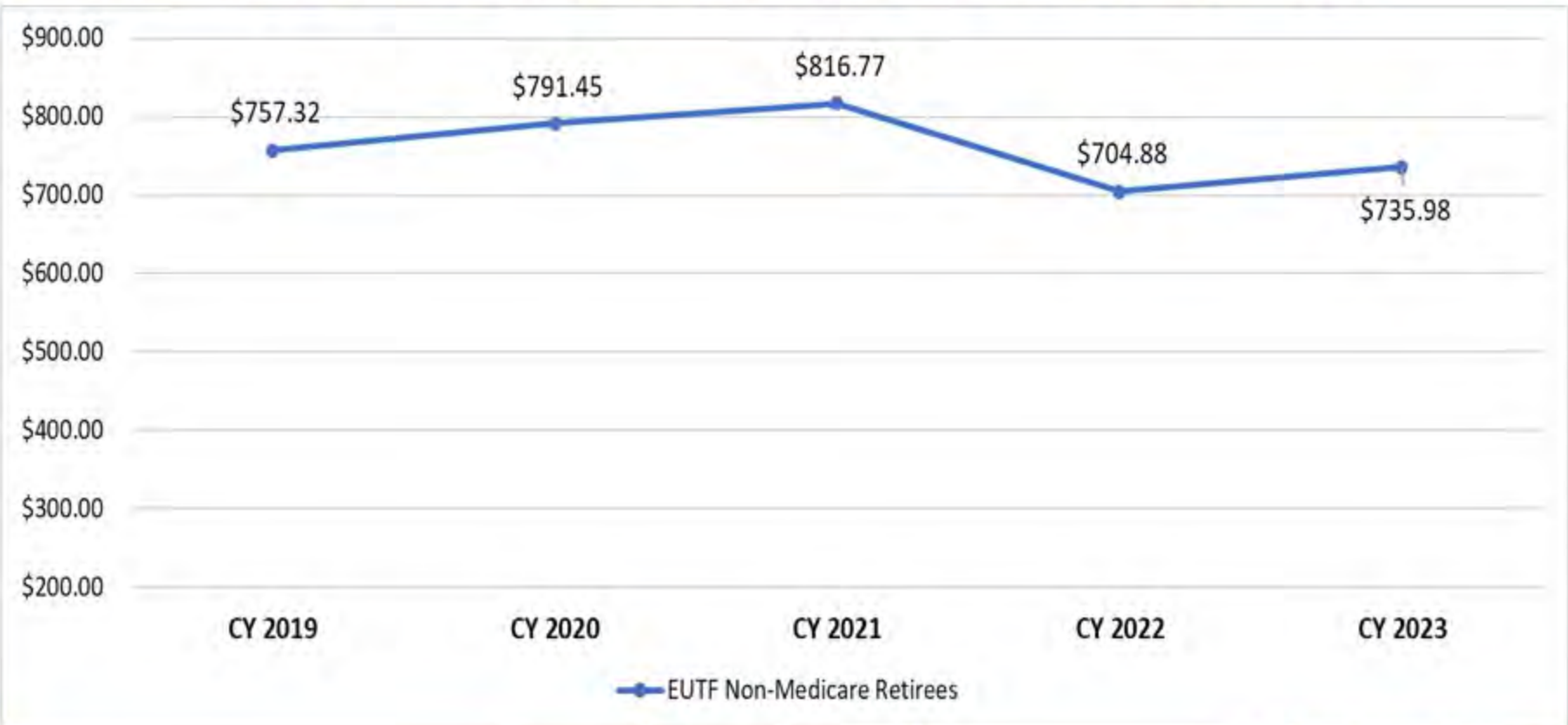


Members	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY % Change	CAGR CY 2019 - CY 2023
Non-Medicare Retirees*	1,616	1,614	1,690	1,698	1,659	(2.3%)	0.7%
Medicare Retirees	7,627	7,480	7,385	8,100	8,112	0.1%	1.6%
EUTF Retirees (Total)	9,243	9,094	9,075	9,798	9,771	(0.3%)	1.4%

*Non – Medicare Retirees membership snapshot here does not include the dependents of the Medicare Retirees, those members are reflected in the Medicare Retirees count. Membership snapshot is based on the January following the calendar year.

CAGR = Compounded Annual Growth Rate | YoY = Year over Year

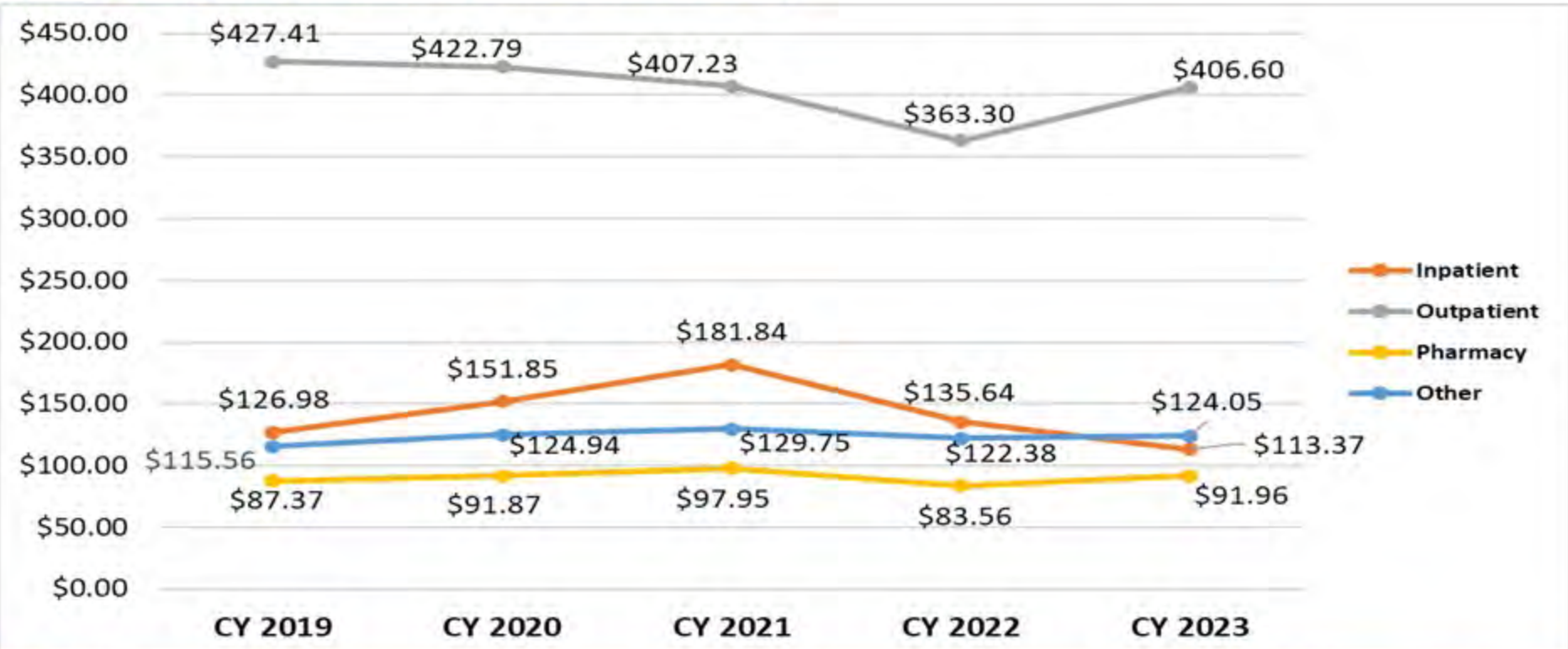
Paid Claims PMPM Comparison Non-Medicare Retirees



Paid Claims PMPM	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY % Change	CAGR
	CY 2019 - CY 2023						
EUTF Non-Medicare Retirees	\$757.32	\$791.45	\$816.77	\$704.88	\$735.98	4.4%	-0.7%

*Health Plan Demographically Adjusted adjusts the Health Plan claims based on the gender / age mix of the Non-Medicare Retiree population.
 **Health Plan comparison is not a retiree-only population, it is predominantly an active population and PMPM costs are therefore much lower.

5 Year Paid Claims PMPM Comparison by Major Service Category Non-Medicare Retirees

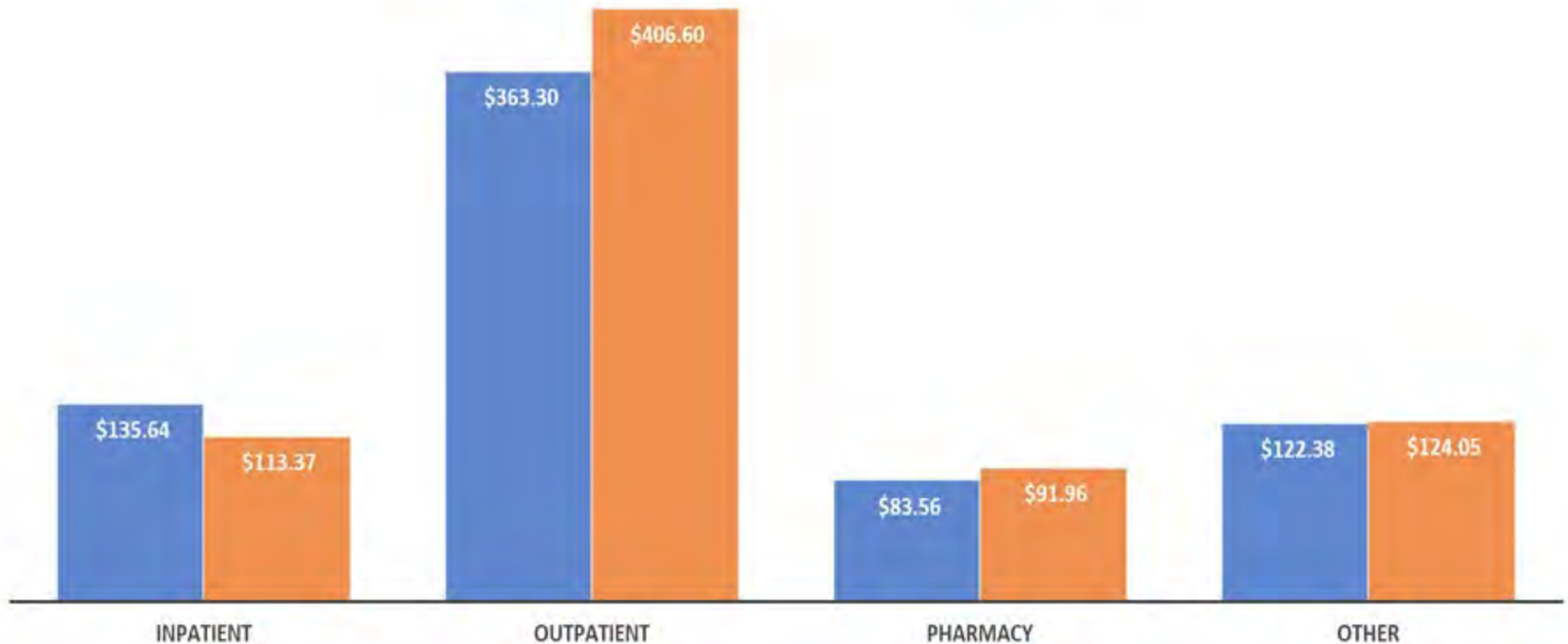


Major Service Categories	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY % Change	CAGR CY 2019 - CY 2023
	Inpatient	\$126.98	\$151.85	\$181.84	\$135.64	\$113.37	(16.4%)
Outpatient	\$427.41	\$422.79	\$407.23	\$363.30	\$406.60	11.9%	(1.2%)
Pharmacy	\$87.37	\$91.87	\$97.95	\$83.56	\$91.96	10.1%	1.3%
Other	\$115.56	\$124.94	\$129.75	\$122.38	\$124.05	1.4%	1.8%

Other includes Ambulance, Home Health, Durable Medical Equipment (DME), Integrated Care Management (ICM) fees..

Non-Medicare Retirees compared to Health Plan Paid Claims by Category

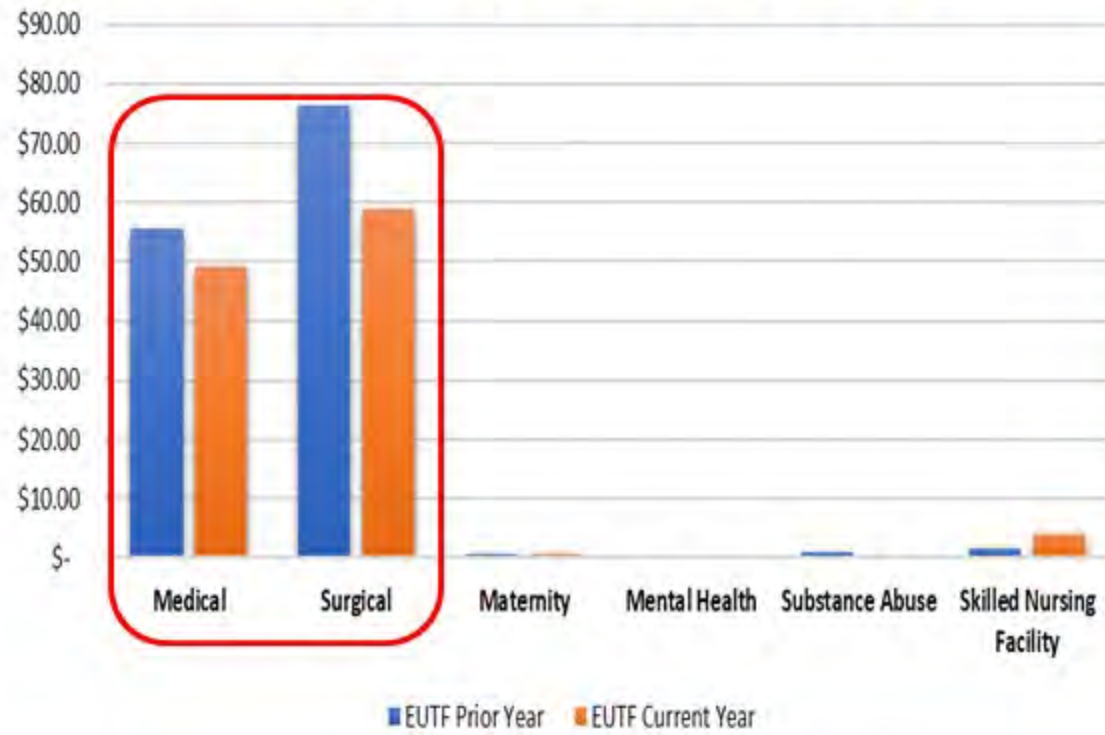
■ CY 2022 EUTF ■ CY 2023 EUTF



CY 2022 - CY 2023 Change		CY 2022 - CY 2023 Change		CY 2022 - CY 2023 Change		CY 2022 - CY 2023 Change	
EUTF		EUTF		EUTF		EUTF	
(\$22.27)	(16.4%)	\$43.30	11.9%	\$8.40	10.1%	\$1.67	1.4%
CAGR: CY 2019 - CY 2023		CAGR: CY 2019 - CY 2023		CAGR: CY 2019 - CY 2023		CAGR: CY 2019 - CY 2023	
(2.8%)		(1.2%)		1.3%		1.8%	

*HI Health Plan Paid Claim PMPMs are demographically-adjusted.

Inpatient Non-Medicare Retirees



Medical and Surgical
Decreases in year over year costs were driven predominantly by decrease in Days / 1,000.

- Days / 1,000 decreased by 45.7% from 332.7 to 180.8
- Admits / 1,000 decreased by 2.8% from 42.6 to 41.4

Mental Health
Mental Health increase is attributed to longer inpatient stays in the current year. Since the Admit count for these categories are low, significant stays can result in large percentage swings in costs.

- Admits / 1,000 – No Change from 0.5 to 0.5
- Average Length of Stay (ALOS) increased from 1 day to 6 days.

Substance Abuse
In this case, the significant decrease in Substance Abuse costs is due to no admits in the Current Year.

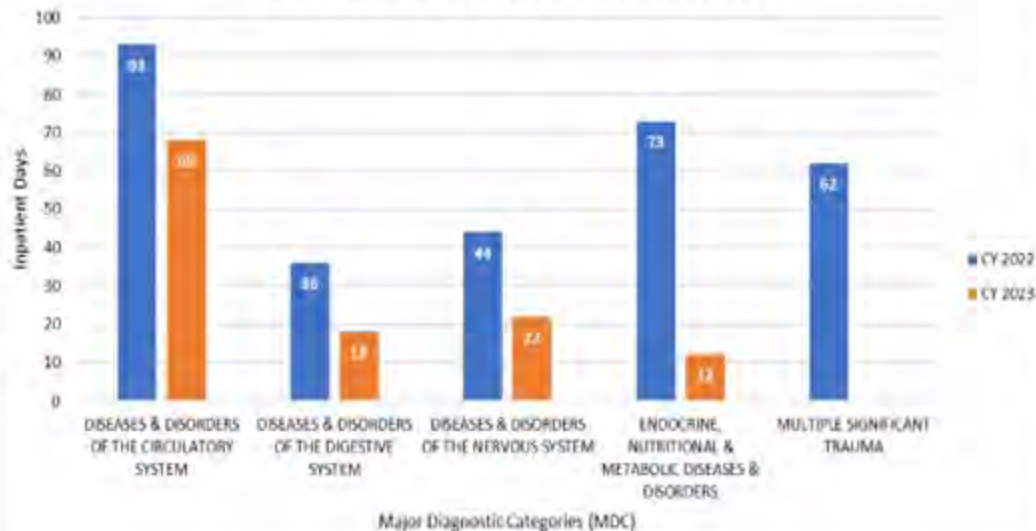
- 0.9 Five Year Average Admits / 1,000

Inpatient PMPM	EUTF Prior Year	EUTF Current Year	% Change
Medical	\$55.50	\$49.18	(11.4%)
Surgical	\$76.46	\$58.87	(23.0%)
Maternity	\$0.83	\$0.79	(4.8%)
Mental Health	\$0.21	\$0.52	147.6%
Substance Abuse	\$0.97	\$0.00	(100.0%)
Skilled Nursing Facility	\$1.67	\$4.01	140.1%
Total	\$135.64	\$113.37	(16.4%)



Inpatient - Major Diagnostic Categories YoY Comparison

Total Inpatient Days per Major Diagnostic Category



The Major Diagnostic Categories help to categorize the Inpatient data into clinically-meaningful categories. The groupings help in highlighting the types of inpatient admissions your members are receiving.

The decrease in Days from CY 2022 to CY 2023 were driven by the following five Major Diagnostic Categories:

Diseases and Disorders of the Circulatory System

These include stays related to the heart and circulatory system. There were the same number of admissions in both periods. The large change in Total Inpatient Days is attributable to CY 2022 had more stays that had major complications compared to CY 2023.

Diseases and Disorders of the Digestive System

These include stays related to the stomach and intestinal area. There were more admissions in CY 2023 compared to CY 2022 however CY 2022 experienced Major Gastrointestinal and Major Small and Large Bowel procedures that were not in CY 2023. These complicated procedures contributed to the longer stays in CY 2022 and thereby the higher inpatient days.

Diseases and Disorders of the Nervous System

These include stays related to the head and brain. There were less admissions but also less seizures and stroke-related stays in CY 2023.

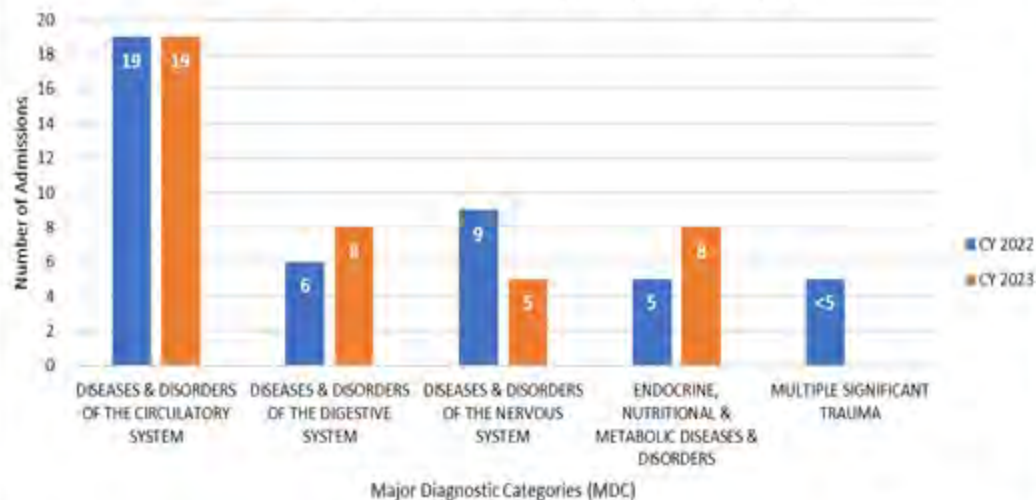
Endocrine Diseases and Disorders

These include stays related to the Thyroid and Diabetes. There were more admissions in CY 2023 but CY 2022 had more admissions that had major complications like amputations. Similar to the Digestive System MDC, the complicated procedures contributed to the longer stays in CY 2022.

Multiple Significant Trauma

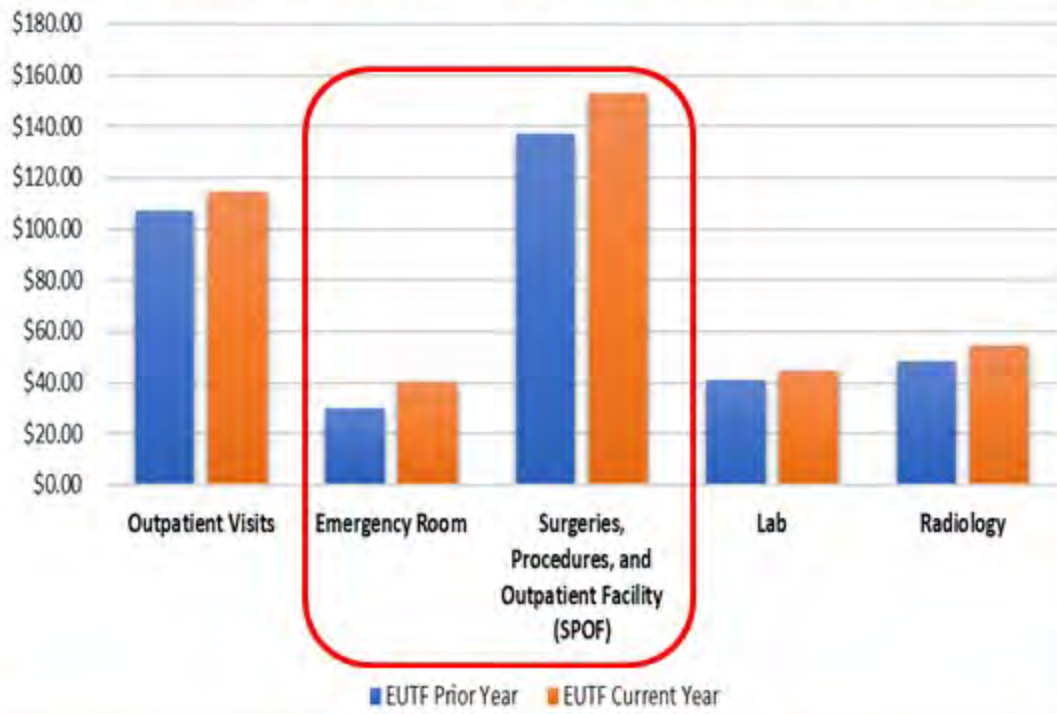
These include stays that have multiple severe injuries or traumas where the patient had experienced more than one severe injury. In this MDC, there were 0 Admits in CY 2023 compared to less than five in CY 2022.

Number of Admissions per Major Diagnostic Category



*<5" is less than 5

Outpatient Non-Medicare Retirees



Outpatient Surgeries, Procedures, and Outpatient Facility

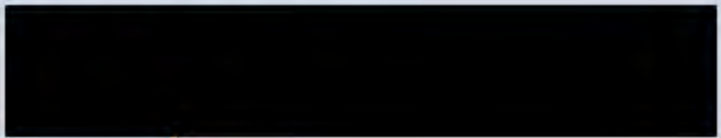
- \$16.03 PMPM increase in Outpatient Surgeries, Procedures and Outpatient Facility, driven by an increase in utilization for higher costing procedures and surgeries which is why the average cost increased by 25.2%
 - \$2,329.21 to \$2,915.25 +25.2% in Average Costs per Visit
- The two categories that saw increasing utilization that have high average costs was in Osteoarthritis type of procedures and surgeries increasing from 6.7 to 8.1 in Visits / 1,000 and has an average cost of \$23,493.
- The other category was in Neoplasms or Cancer Care, increasing from 46.6 to 62.3 Visits / 1,000 and has an average cost of \$4,650.

Emergency Room

There was a 14.6% increase in Emergency Room Utilization from 172.7 to 197.9 Visits / 1,000.

The Top 5 Diagnoses in Emergency Room Visits:

- Chest Pain: 35 Visits
- Dizziness & Giddiness: 14 Visits
- Headache: 13 Visits
- COVID-19: 8 Visits
- Injury of Head: 7 Visits

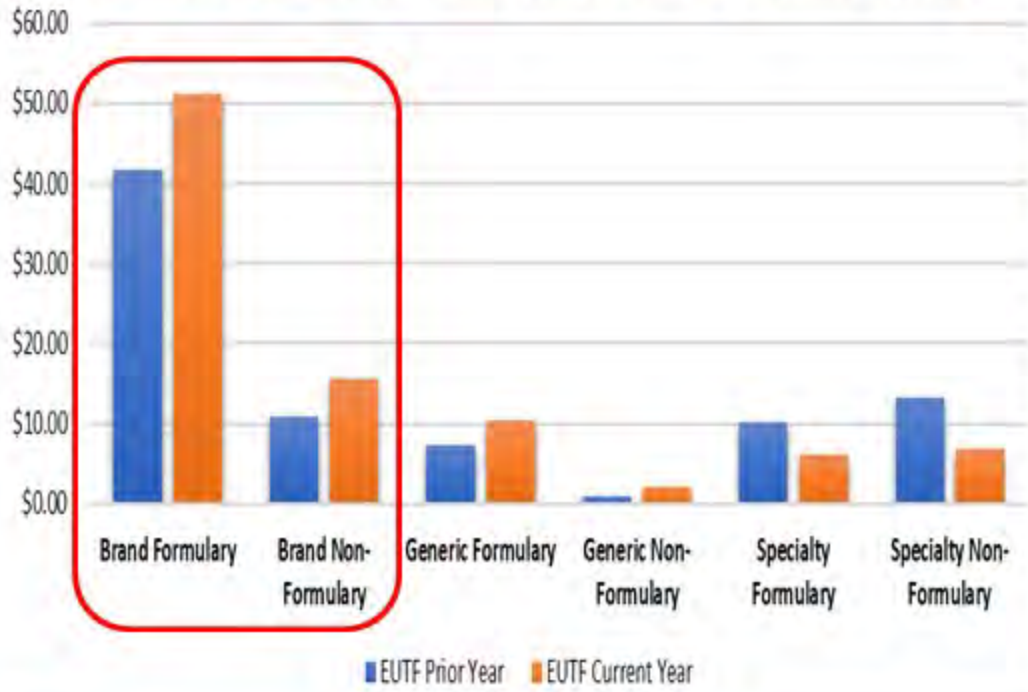


Outpatient PMPM	EUTF Prior Year	EUTF Current Year	% Change
Outpatient Visits	\$106.84	\$114.40	7.1%
Emergency Room	\$29.96	\$40.20	34.2%
Surgeries, Procedures, and Outpatient Facility (SPOF)	\$136.87	\$152.90	11.7%
Lab	\$41.19	\$44.89	9.0%
Radiology	\$48.44	\$54.21	11.9%
Total	\$363.30	\$406.60	11.9%



HI Health Plan Paid Claim PMPMs are demographically-adjusted.

Pharmacy Non-Medicare Retirees



Pharmacy Quick Hits

- Generic Dispensing Rate: 89.8%

Brand Prescription Costs Increase +27.7%

The total scripts decreased from 2,210 to 2,060 from CY 2022 to CY 2023. There were higher costing prescriptions in CY 2023.

Brand Top Drugs

Dupixent Pen 300mg – Atopic Dermatitis

- Prescriptions: CY 2023: 56 // CY 2022: 42

Jardiance 25mg – Type 2 Diabetes

- Prescriptions: CY 2023: 314 // CY 2022: 227

Victoza – Type 2 Diabetes

- Prescriptions: CY 2023: 128 // CY 2022: 93

Pharmacy PMPM	EUTF Prior Year	EUTF Current Year	% Change
Brand Formulary	\$41.55	\$51.22	23.3%
Brand Non-Formulary	\$10.78	\$15.63	45.0%
Generic Formulary	\$7.26	\$10.28	41.6%
Generic Non-Formulary	\$0.79	\$1.99	151.9%
Specialty Formulary	\$10.01	\$6.08	(39.3%)
Specialty Non-Formulary	\$13.17	\$6.76	(48.7%)
Total	\$83.56	\$91.96	10.1%

HI Health Plan Paid Claim PMPMs are demographically-adjusted.



Pharmacy Non-Medicare Retirees – Therapeutic Classes

Therapeutic classes help to categorize the different medications by the pathology they are intended to treat. This helps to understand what types of conditions are being treated in the population.

Endocrine – 27.7% of Total Pharmacy Costs

Endocrine includes medications related to the body's metabolism, energy levels and growth. Diabetes related medications are found here.

- Top Endocrine Medication by Costs – Jardiance (All Dosages) \$223,752

Hematological Agents – 15.7% of Total Pharmacy Costs

Hematological Agents include medications that act on the blood and blood-forming organs. Anemia related medications are found here.

- Top Hematological Agent Medication by Costs – Promacta (All Dosages) \$258,219

Dermatological – 14.1% of Total Pharmacy Costs

Dermatological medications are used to treat skin diseases, like dermatitis

- Top Dermatological Medication by Costs – Dupixent Pen (All Dosages) \$251,601

Antineoplastics – 13.7% of Total Pharmacy Costs

Antineoplastics would include medications that are used to treat cancer.

- Top Antineoplastics Medication by Costs – Verzenio (All Dosages) \$126,870

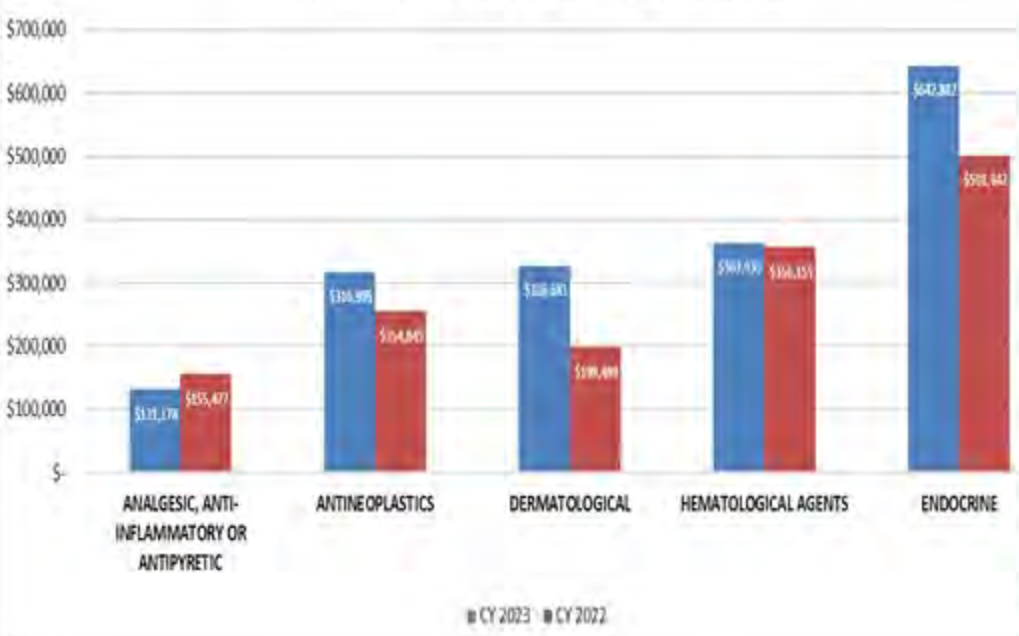
Anti-Inflammatory – 5.7% of Total Pharmacy Costs

Medications included in this therapeutic class are typically prescribed to treat psoriasis or arthritis

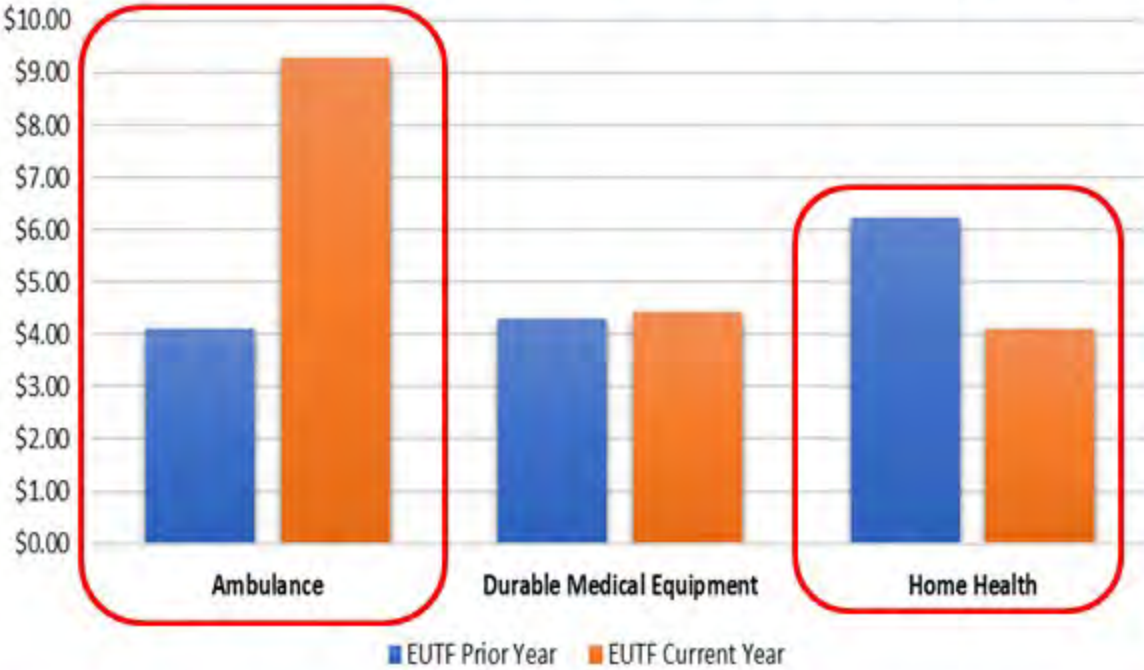
- Top Anti-Inflammatory Medication by Costs – (All Dosages) Otezla \$97,259

In total, these five therapeutic classes represent 76.9% of your total pharmacy costs.

Top 5 Therapeutic Classes by Pharmacy Paid Dollars



Other Services Non-Medicare Retirees



Ambulance Costs Increase

Ambulance costs increase is being driven by a large increase in utilization and average costs.

Utilization per 1,000 Members

- CY 2023: 44.2 / CY 2022: 30.9 +43.0%

Average Costs per Ambulance

- [Redacted]
- Fixed-Wing and complex emergency transportation can impact the average costs

Home Health Decrease

The decrease in costs is driven by the fact that the prior year had more complications versus the current year.

Other PMPM	EUTF Prior Year	EUTF Current Year	% Change
Ambulance	\$4.10	\$9.27	126.1%
Durable Medical Equipment	\$4.30	\$4.42	2.8%
Home Health	\$6.24	\$4.11	(34.1%)
ICM	\$107.74	\$106.25	(1.4%)
Total	\$122.38	\$124.05	1.4%

ICM: Integrated Care Management | HI Health Plan Paid Claim PMPMs are demographically-adjusted.

Actives

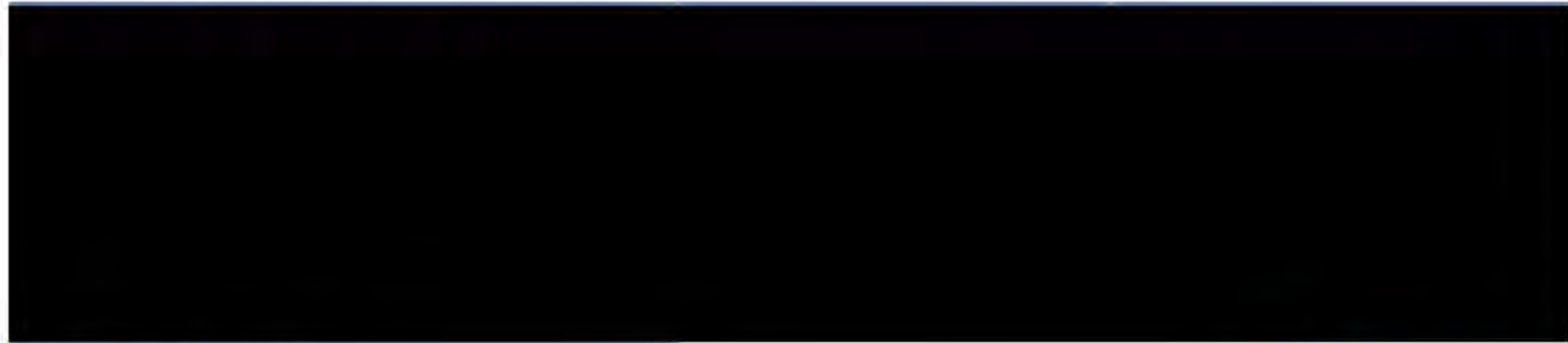
- PY 2024 utilization metrics are annualized for comparison purposes based on 6 months of data (07/01/2023 – 12/31/2023), no trend was applied.

Executive Summary Actives

Service Category	Prior Year PMPM	6 Months PMPM	6 Months compared to PY 2023	
	PY 2023	PY 2024	\$ Change	% Change
Inpatient	\$82.79	\$102.56	\$19.77	23.9%
Outpatient	\$266.79	\$282.62	\$15.83	5.9%
Pharmacy	\$47.59	\$51.51	\$3.92	8.2%
Other	\$86.69	\$90.86	\$4.17	4.8%
Total	\$483.86	\$527.55	\$43.69	9.0%

PY 2023: 07/01/2022 – 06/30/2023
 PY 2024: 07/01/2023 – 12/31/2023

Overall Total Paid Claims increased by 9.0% or \$43.69 Per Member Per Month (PMPM), this was driven by an increase within Inpatient of 23.9% or \$19.77 PMPM along with an increase within Outpatient of 5.9% or \$15.83 PMPM.



Executive Summary Actives - continued

Membership

- Total Membership increased by 2% from PY 2023. There continues to be membership decline in the Comprehensive Plan while the Standard Plan continues to grow.

Inpatient: \$19.77 pmpm increase +23.9%

- Inpatient Admits / 1,000 decreased slightly from 39.1 to 39 (0.3%) [REDACTED]
- Average Length of Stay increased from 4.5 to 5.1 +13.3% [REDACTED]
- Days / 1,000 increased from 177.7 to 197.4 +11.1% [REDACTED]
- In essence, the primary driver for the PY 2024 Inpatient increase of 23.9% is due to higher costing claimants in the first six months of the PY 2024

Outpatient: \$15.83 pmpm increase +5.9%

- Visits / 1,000 increased from 9,573.1 to 9,595.8 +0.2% [REDACTED]
- Average Costs per Visit increased from \$334.43 to \$353.44 +5.7% [REDACTED]
 - Neoplasms (Cancer Care)
 - » Visits / 1,000 increased from 396.0 to 408.8 +3.2%
 - » [REDACTED]

PY 2024 utilization metrics are annualized for comparison purposes based on 6 months of data (07/01/2023 – 12/31/2023)



Executive Summary Actives – High-Cost Claimants PY 2024

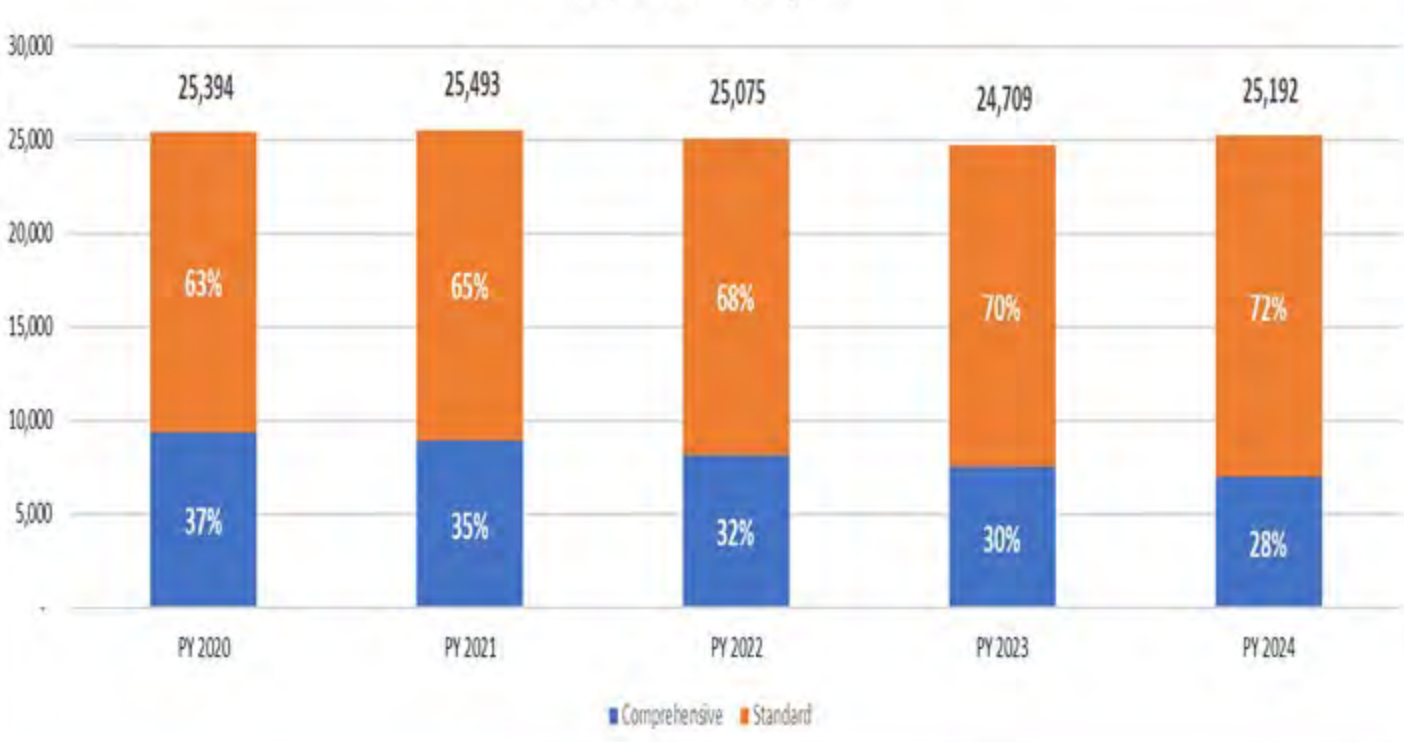


Claimant	Primary Diagnosis	Total Paid Dollars	Status	Plan
#1		\$580,292.94		
#2		\$393,201.67		
#3		\$314,860.77		
#4		\$309,062.98		
#5		\$291,705.94		
#6		\$290,938.76		
#7		\$277,054.57		
#8		\$269,542.31		
#9		\$262,295.75		

PY 2024 utilization metrics are annualized for comparison purposes based on 6 months of data (07/01/2023 – 12/31/2023)

Membership Overview Actives

Member Enrollment by Plan



Plan Membership Changes

- Standard plan membership as a proportion to the total Actives membership has grown over the years.
- The Standard plan represented 63% of the total membership in PY 2020. The Standard plan now represents 72% of the total membership.

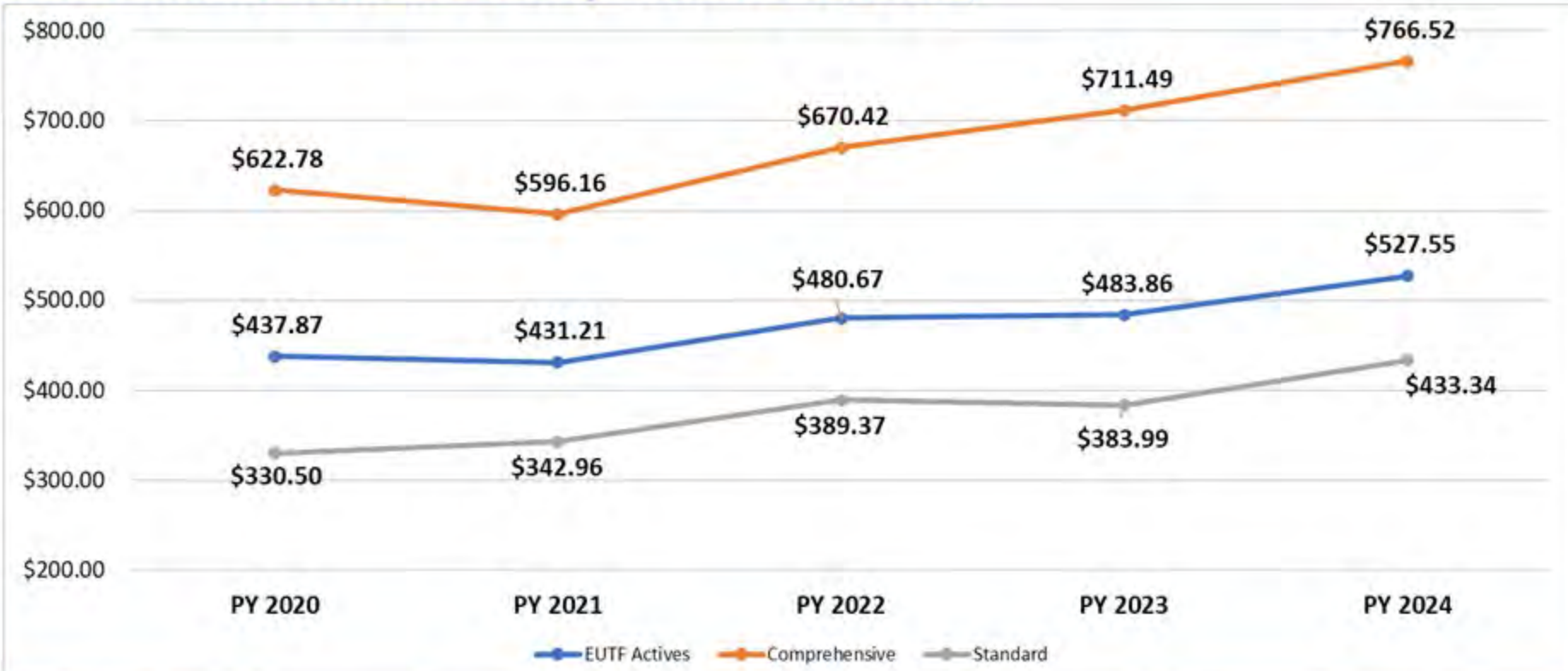
PY 2024: 07/01/2023 – 12/31/2023

Members	PY 2020	PY 2021	PY 2022	PY 2023	PY 2024	YoY % Change	CAGR PY 2020 - PY 2024
Comprehensive	9,331	8,884	8,146	7,534	7,019	(6.8%)	(6.9%)
Standard	16,063	16,609	16,929	17,175	18,173	5.8%	3.1%
EUTF Actives	25,394	25,493	25,075	24,709	25,192	2.0%	(0.2%)

CAGR = Compounded Annual Growth Rate | YoY = Year over Year



Paid Claims PMPM Comparison Actives



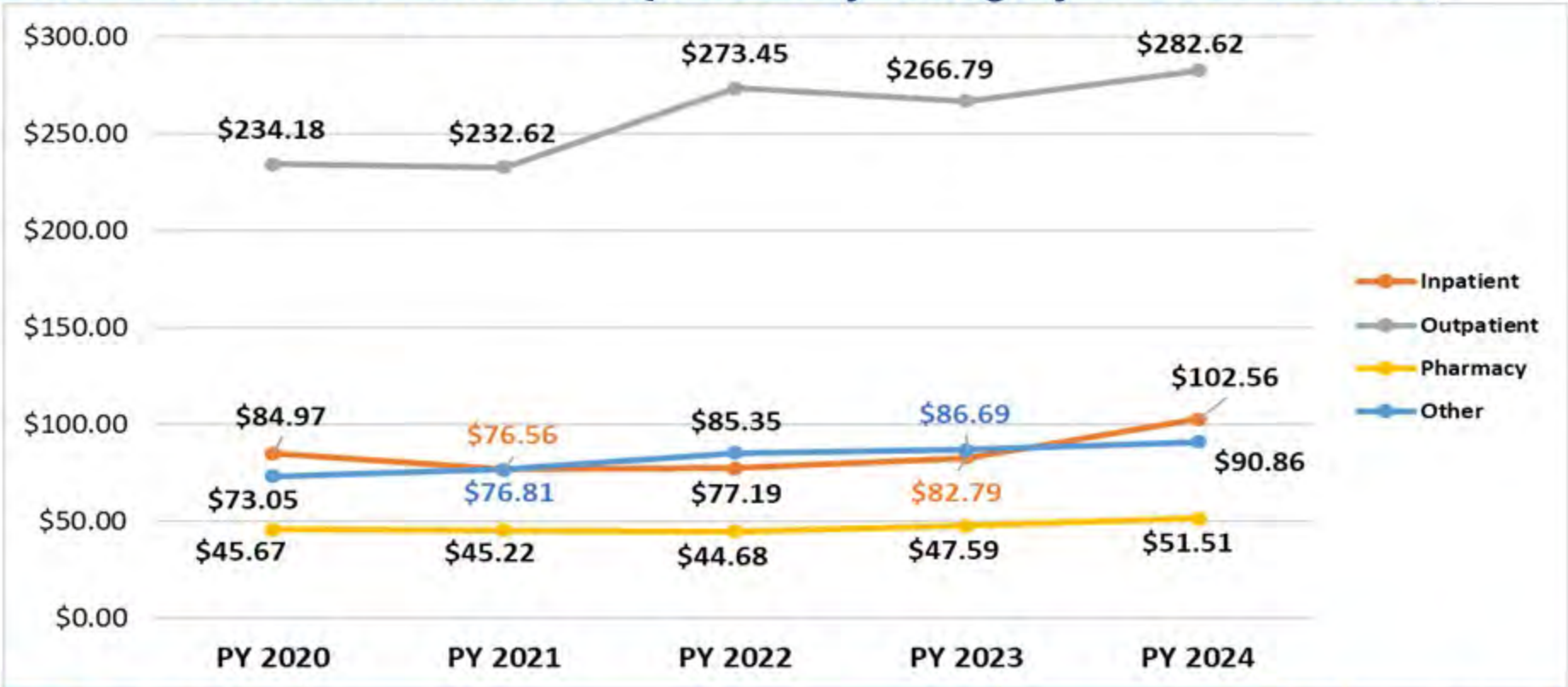
Paid Claims PMPM	PY 2020	PY 2021	PY 2022	PY 2023	PY 2024	YoY % Change	CAGR
							PY 2020 - PY 2024
Comprehensive	\$622.78	\$596.16	\$670.42	\$711.49	\$766.52	7.7%	5.3%
Standard	\$330.50	\$342.96	\$389.37	\$383.99	\$433.34	12.9%	7.0%
EUTF Actives	\$437.87	\$431.21	\$480.67	\$483.86	\$527.55	9.0%	4.8%

PY 2024: 07/01/2023 – 12/31/2023

EUTF Actives Paid Claims PMPM are representative of the combined EUTF Standard and EUTF Comprehensive experience



5 Year Paid Claims PMPM Comparison by Category of EUTF Actives



Major Service Categories	PY 2020	PY 2021	PY 2022	PY 2023	PY 2024	YoY % Change	CAGR
	PY 2020 - PY 2024						
Inpatient	\$84.97	\$76.56	\$77.19	\$82.79	\$102.56	23.9%	4.8%
Outpatient	\$234.18	\$232.62	\$273.45	\$266.79	\$282.62	5.9%	4.8%
Pharmacy	\$45.67	\$45.22	\$44.68	\$47.59	\$51.51	8.2%	3.1%
Other	\$73.05	\$76.81	\$85.35	\$86.69	\$90.86	4.8%	5.6%

PY 2024: 07/01/2023 – 12/31/2023

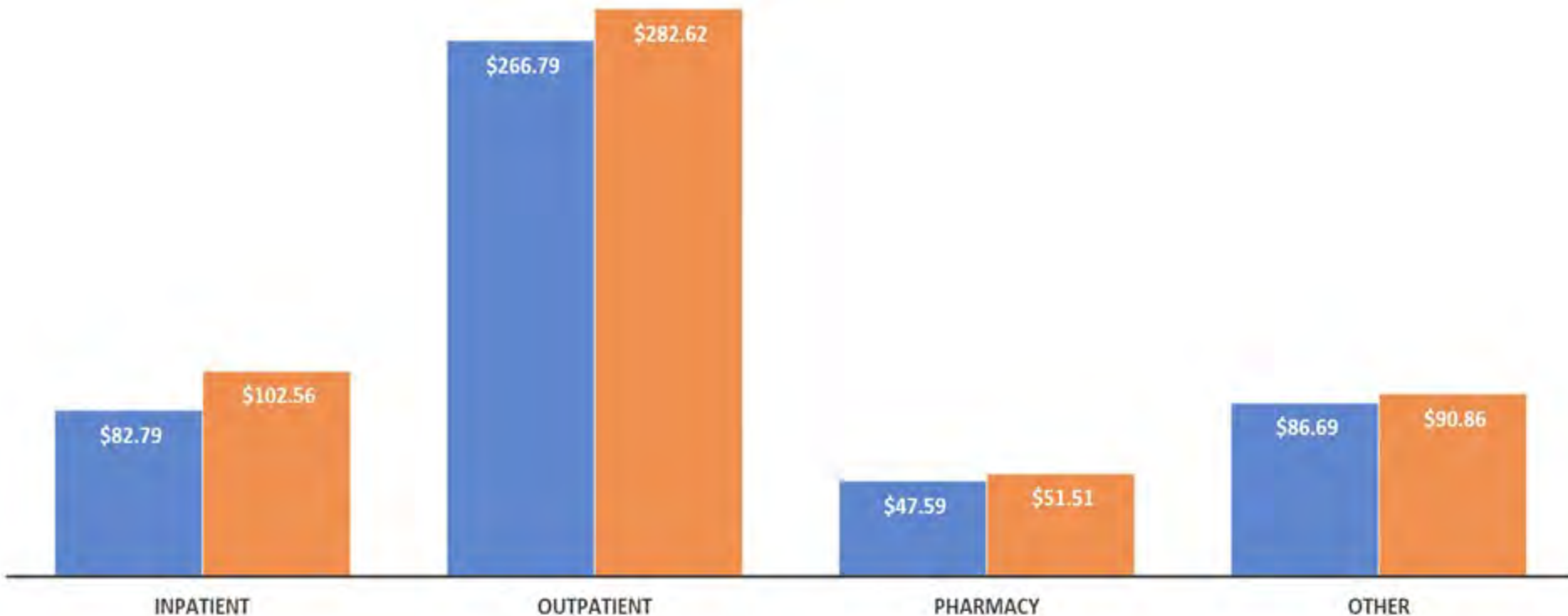
Paid Claims PMPMs above are representative of the combined EUTF Standard and EUTF Comprehensive experience



EUTF Actives compared to Health Plan Paid Claims by Category

■ PY 2023 EUTF

■ PY 2024 EUTF



PY 2023 - PY 2024 Change		PY 2023 - PY 2024 Change		PY 2023 - PY 2024 Change		PY 2023 - PY 2024 Change	
EUTF		EUTF		EUTF		EUTF	
\$19.77	23.9%	\$15.83	5.9%	\$3.92	8.2%	\$4.17	4.8%
CAGR: PY 2020 - PY 2024		CAGR: PY 2020 - PY 2024		CAGR: PY 2020 - PY 2024		CAGR: PY 2020 - PY 2024	
4.8%		4.8%		3.1%		5.6%	

PUBLIC

EUTF Semi-Annual Cost and Utilization Summary

Benefits Committee Meeting | Confidential

May 21, 2024

Presented by:

Christopher Letoto, Senior Manager

Isaac Yuen, Health Data Integration and Analytics



EUTF Retiree Plans

January 2023 – December 2023



Retiree Key Terms and Background

Reporting Period

Current Plan Year:

Incurred Jan 2023 - Dec 2023, Paid through Mar 2024.

Data for historical periods follow same guidelines; incurred during plan year, paid through March of the following year.

Year-over-Year (YoY)

Metric used to represent the percentage change from the prior calendar year to the current calendar year.

For this Report: Calendar Year 2022 vs Calendar Year 2023

Benchmark/Peer

Retiree with Medicare: HMSA Medicare Advantage

Retiree without Medicare: HMSA Merit Rated Group (MRG), Retro Rate Group (RRG), Alternative Financing Methods (AFM) / Administrative Services Only (ASO) Groups

Compound Annual Growth Rate (CAGR)

Metric used to represent an annualized trend over a set period; for purposes of this report, over a four-year period.

Four Year CAGR: Calendar Year 2019 vs Calendar Year 2023

Per Member Per Month (PMPM)

Industry standard metric for comparing overall expenditures which adjusts for fluctuation in membership.

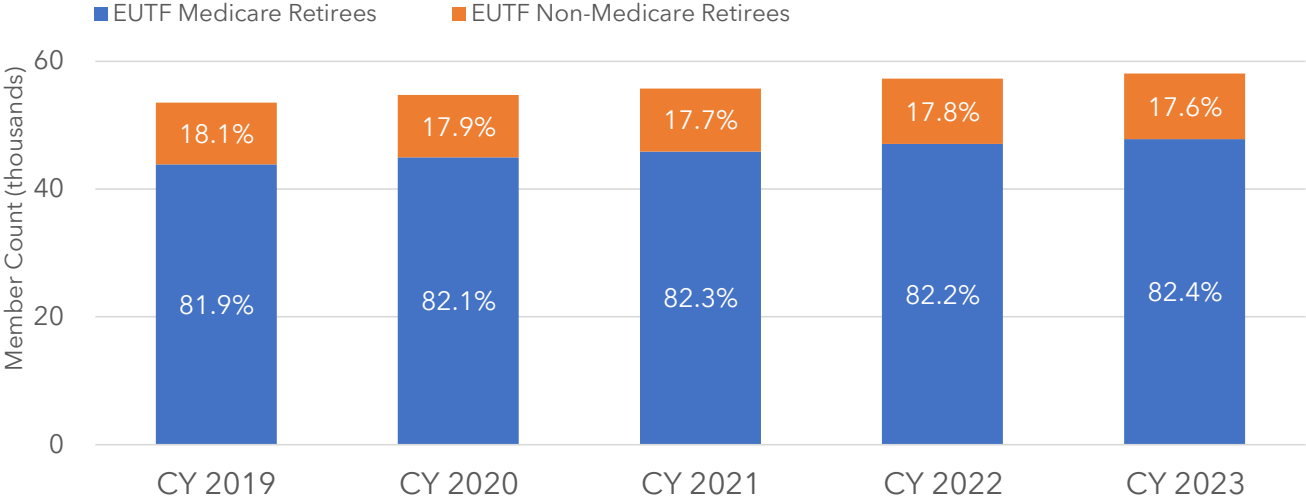
Services/Admissions per 1,000

Industry standard metric of the overall utilization of a service which adjusts for changes in membership over time.

Exclusions

HSTA VB | EUTF Part-Time/ Temp Plan | Chiropractic Claims

Enrollment - Plan Breakdown

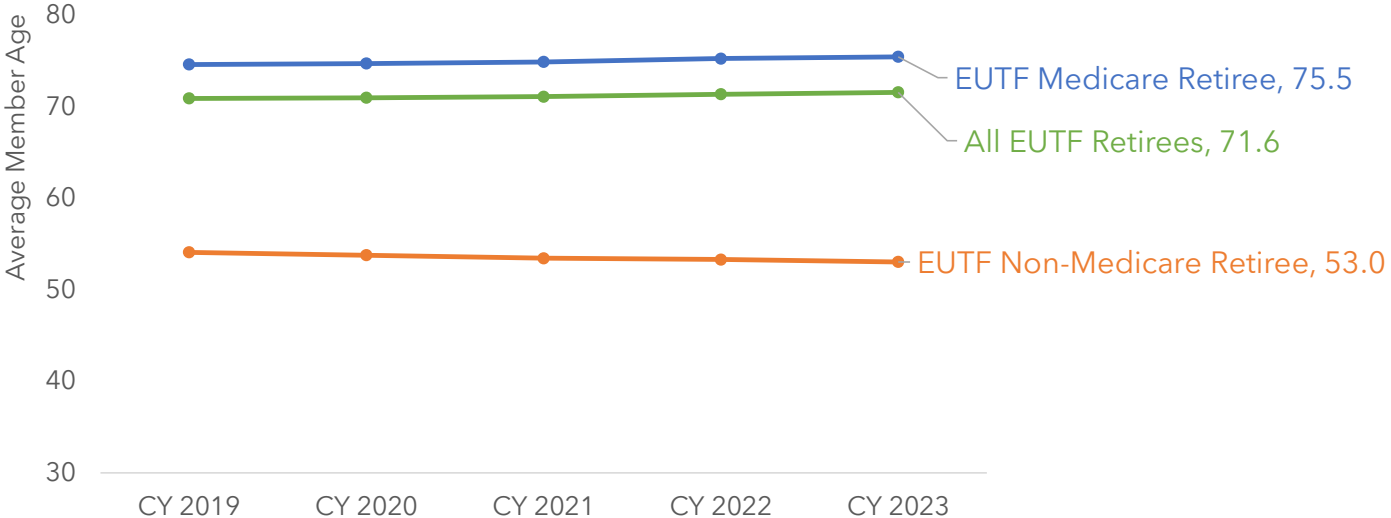


Highlights

- Smallest enrollment growth in recent years.
- EUTF Non-Medicare Retirees settling at under 18% of total EUTF Retiree enrollment

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YOY	CAGR (4-year)
EUTF Non-Medicare Retirees	9,667	9,782	9,882	10,203	10,233	0.3%	1.4%
EUTF Medicare Retirees	43,848	44,972	45,877	47,072	47,840	1.6%	2.2%
All EUTF Retirees	53,515	54,754	55,759	57,275	58,073	1.4%	2.1%

Enrollment - Average Age

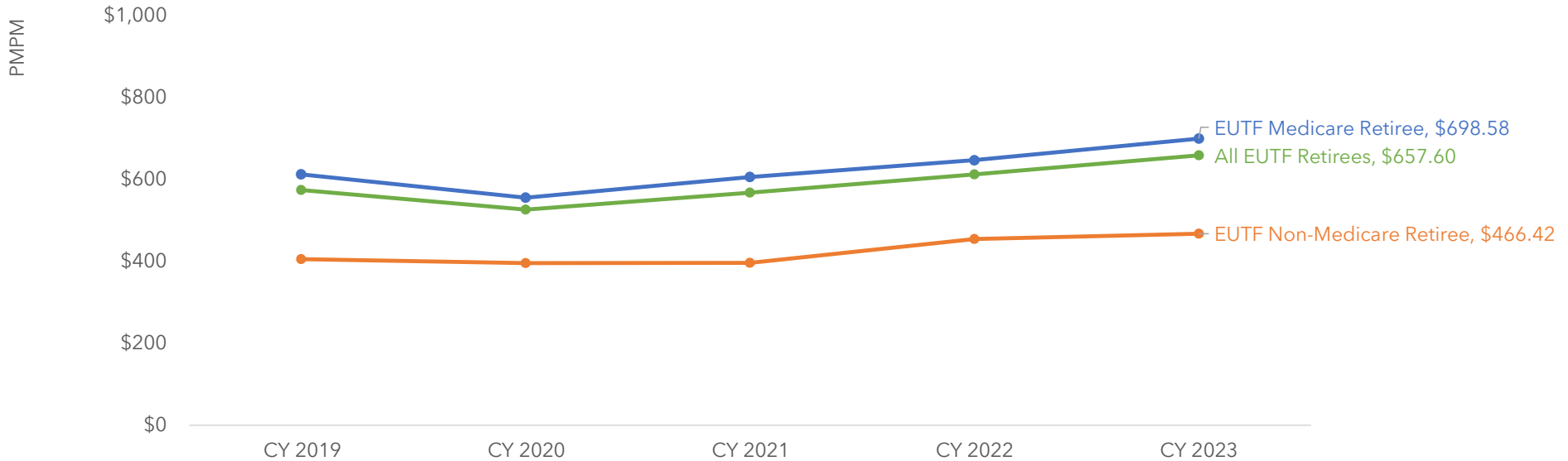


Highlights

- EUTF Medicare Retirees age continues to gradually increase.
- EUTF Non-Medicare Retirees age continues to gradually decrease.

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YOY	CAGR (4-year)
EUTF Non-Medicare Retiree	54.1	53.8	53.5	53.3	53.0	-0.5%	-0.5%
EUTF Medicare Retiree	74.6	74.7	74.9	75.3	75.5	0.3%	0.3%
All EUTF Retirees	70.9	71.0	71.1	71.4	71.6	0.3%	0.2%

5-Year PMPM Peer Comparison



	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YOY	CAGR (4-year)
EUTF Non-Medicare Retiree	\$404.51	\$394.95	\$395.56	\$453.66	\$466.42	2.8%	3.6%
EUTF Medicare Retiree	\$611.42	\$554.49	\$604.69	\$645.91	\$698.58	8.2%	3.4%
All EUTF Retirees	\$572.99	\$525.38	\$566.94	\$611.28	\$657.60	7.6%	3.5%



- HMSA Commercial Demo Adjusted: HMSA Commercial PMPM which has been demographically adjusted for comparison with the EUTF Non-Medicare Retiree population.
- EUTF Non-Medicare Retiree PMPM do not include outpatient drug costs due to carveouts.

EUTF Medicare Retirees Plans

January 2023 - December 2023



Executive Summary - EUTF Medicare Retirees

Total PMPM: +8.2% (+\$52.68) | \$698.58

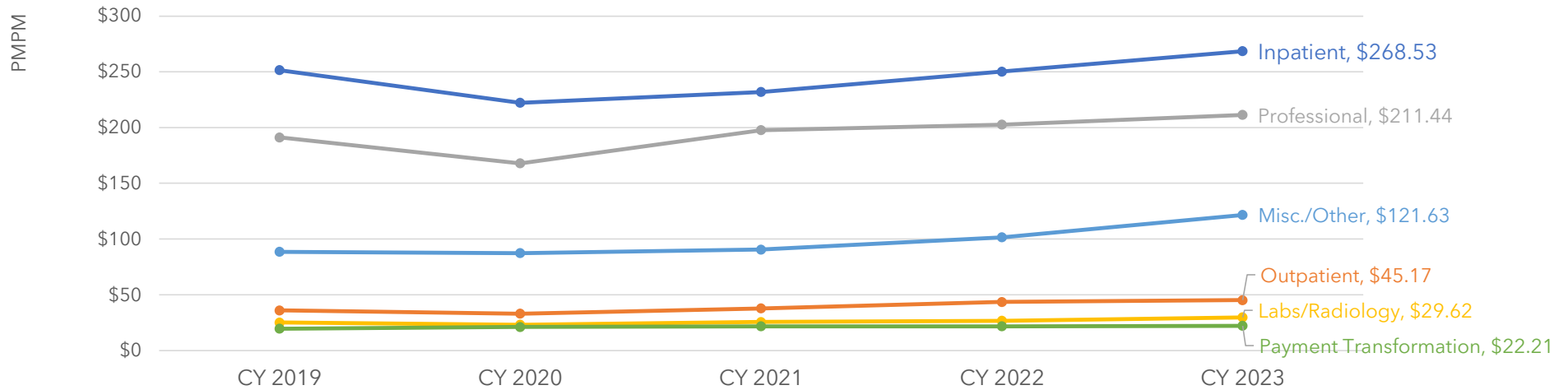
Inpatient PMPM: + 7.4% (+\$18.42) | \$268.53

- Largely driven by 5.6% increase in admits to the Acute Facility
- Top DRGs: Septicemia, Infectious Diseases, Respiratory Infections

Misc./Other: +19.8% (+\$20.12) | \$121.63

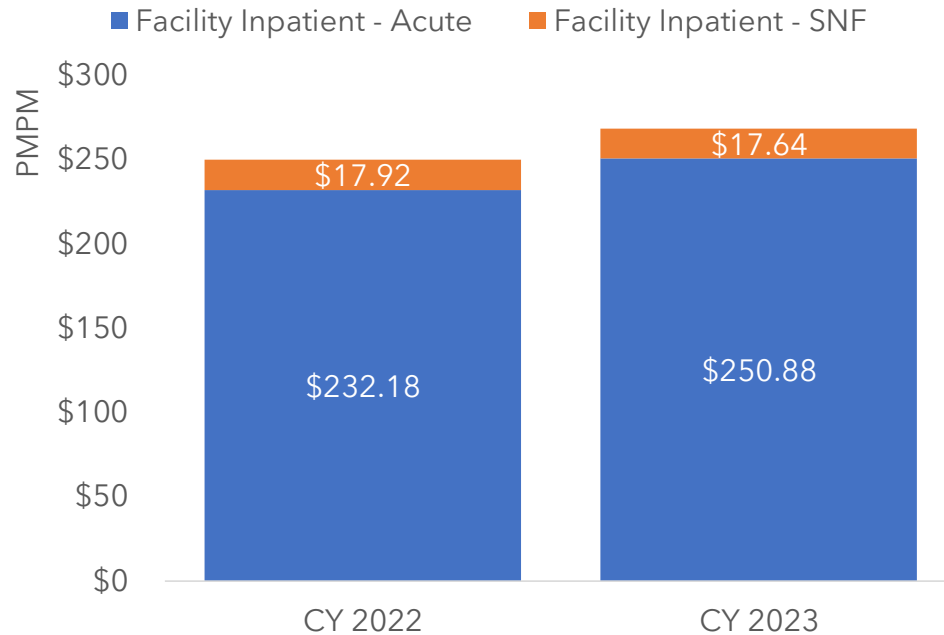
- +\$1.5M increase in durable medical equipment
- Specialty Drug, +23% increase in total spend

PMPM - Trend Category



EUTF Medicare Retiree							
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY	CAGR (4-year)
Inpatient	\$251.41	\$222.30	\$231.79	\$250.11	\$268.53	7.4%	1.7%
Outpatient	\$35.96	\$32.95	\$37.66	\$43.48	\$45.17	3.9%	5.9%
Professional	\$191.11	\$167.91	\$197.54	\$202.55	\$211.44	4.4%	2.6%
Labs/Radiology	\$25.09	\$23.00	\$25.52	\$26.53	\$29.62	11.6%	4.2%
Misc./Other	\$88.41	\$87.24	\$90.52	\$101.50	\$121.63	19.8%	8.3%
Payment Transformation	\$19.44	\$21.08	\$21.66	\$21.73	\$22.21	2.2%	3.4%
Total	\$611.42	\$554.49	\$604.69	\$645.91	\$698.58	8.2%	3.4%

Inpatient PMPM



Highlights

- Increases largely due to increase in Acute Facility utilization of +5.6%
- The volume of large individual claims greater than \$100,000 increased Year-Over-Year, but their severity decreased.
- Top Conditions in 2023:
 - Sepsis: \$11,264,732
 - Infectious Disease: \$5,435,662
 - Respiratory Infections: \$4,751,085

INPATIENT	EUTF Medicare Retiree		
	CY 2022	CY 2023	% Chg
Facility Inpatient - Acute	\$232.18	\$250.88	8.1%
Facility Inpatient - SNF	\$17.92	\$17.64	-1.6%
Total	\$250.11	\$268.53	7.4%

Inpatient – EUTF Medicare Retirees

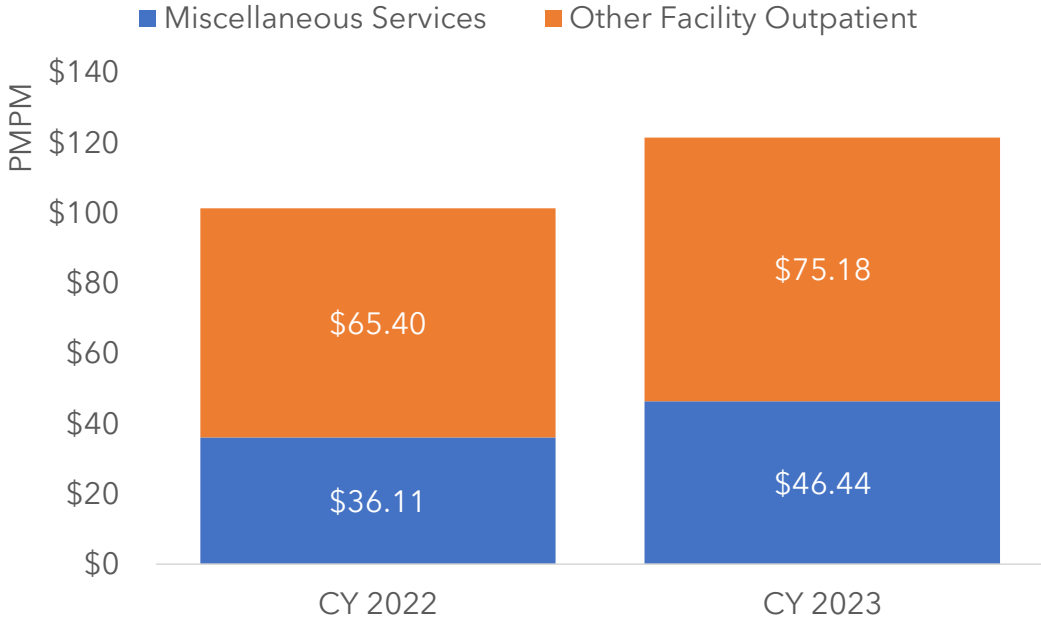
Inpatient PMPM: + 7.4% (+\$18.42) | \$268.53

- Admits per 1,000: +5.6% (+7.5) | 141.5
 - Remains lower than peer.

Top 10 DRGs

Curr Rank	Prior Rank	DRG	Admits (Current Period)	Change From Prior Period	Percent Change	Total Cost	Avg Cost per Admit
1	1	SEPTICEMIA OR SEVERE SEPSIS W/O MV 96+ HOURS W MCC	589	31	5.3%	\$11,264,732	\$19,125
2	3	INFECTIOUS & PARASITIC DISEASES W O.R. PROCEDURE W MCC	111	24	21.6%	\$5,435,662	\$48,970
3	2	RESPIRATORY INFECTIONS & INFLAMMATIONS W MCC	259	-11	-4.2%	\$4,751,085	\$18,344
4	4	HEART FAILURE & SHOCK W MCC	297	39	13.1%	\$3,980,978	\$13,404
5	8	INTRACRANIAL HEMORRHAGE OR CEREBRAL INFARCTION W MCC	117	23	19.7%	\$2,505,219	\$21,412
6	5	EV CARDIAC VALVE RPLCMNT & SUP PROCS W/O MCC	53	8	15.1%	\$2,416,503	\$45,594
7	7	ACUTE MYOCARDIAL INFARCTION, DISCHARGED ALIVE W MCC	143	14	9.8%	\$2,346,133	\$16,407
8	18	MAJOR SMALL & LARGE BOWEL PROCEDURES W MCC	42	16	38.1%	\$2,185,723	\$52,041
9	9	SIMPLE PNEUMONIA & PLEURISY W MCC	149	5	3.4%	\$2,051,417	\$13,768
10	21	CARDIAC VALVE & OTH MAJ CATHO PROC W/O CARD CATH W MCC	23	7	30.4%	\$1,975,316	\$85,883

Miscellaneous Services & Other Facility Outpatient PMPM



Highlights

- +\$1.5M in durable medical equipment spend
- Chemotherapy Services, +\$2.5M increase
 - +94% cost per service increase - not paid by EUTF/HMSA. EUTF portion paid remains flat.
- Specialty Drug, +23% increase in total spend

	EUTF Medicare Retiree		
	CY 2022	CY 2023	% Chg
Miscellaneous Services	\$36.11	\$46.44	28.6%
Other Facility Outpatient	\$65.40	\$75.18	15.0%
Total	\$101.50	\$121.63	19.8%



The cost per service increased related to chemotherapy administration costs mentioned here are not paid by EUTF/HMSA

Misc. Services – Durable Medical Equipment

Top Durable Medical Equipment Increases

Procedure Code	CY 2022	CY 2023	Delta
A4353	\$4,304.15	\$691,464.25	\$687,160.10
A4657	\$325,966.83	\$669,684.43	\$343,717.60
A4352	\$133,198.33	\$452,954.88	\$319,756.55
A4222	\$117,410.73	\$249,346.42	\$131,935.69
L5301	\$15,408.97	\$98,415.77	\$83,006.80

Highlights

- >\$1M increase in urinary catheter spend



- HMSA monitoring increased spend in the area

Top Specialty Drugs – Medicare Retirees

Specialty Drugs PMPM: + 20.1% (+\$5.17) | \$30.92

Top Specialty Drugs

Curr Rank	Prev Rank	\$ Change	Drug Name	Therapeutic Class	Utilizers	Claims	Total Cost	Cost/Claim	% of Total Cost
1	1	\$1,031,755	PROLIA, XGEVA	ENDOCRINE AND METABOLIC AGENTS - MISC.	1,712	3,033	\$3,658,886	\$1,206.36	20.61%
2	2	\$638,562	EVENITY, EVENITY (2 SYRINGES)	ENDOCRINE AND METABOLIC AGENTS - MISC.	213	1,051	\$2,132,001	\$2,028.55	12.01%
3	3	\$199,842	KEYTRUDA	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	102	561	\$1,142,764	\$2,037.01	6.44%
4	4	(\$48,221)	ORENCIA	ANALGESICS - ANTI-INFLAMMATORY	52	460	\$755,060	\$1,641.44	4.25%
5	5	(\$98,178)	EYLEA	OPHTHALMIC AGENTS	289	1,257	\$552,424	\$439.48	3.11%
6	6	\$4,955	OPDIVO	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	38	203	\$543,558	\$2,677.62	3.06%
7	19	\$303,382	ILUMYA	DERMATOLOGICALS	10	32	\$439,609	\$13,737.79	2.48%
8	11	\$113,733	DARZALEX FASPRO	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	15	128	\$362,007	\$2,828.18	2.04%
9	20	\$171,456	CIMZIA	GASTROINTESTINAL AGENTS - MISC.	30	247	\$304,376	\$1,232.29	1.71%
10	10	\$30,561	TYVASO REFILL KIT	CARDIOVASCULAR AGENTS - MISC.	1	14	\$280,791	\$20,056.48	1.58%

Top Movers

Ilumya

- Used in the treatment of plaque psoriasis
- Unique utilizers increased from 3 to 10

Cimzia

- Biosimilar used in the treatment of rheumatoid and active psoriatic arthritis
- Unique utilizers increased from 21 to 30

Top Therapeutic Classes – Medicare Retiree

MEDICARE RETIREES		EUTF		
RANK	THERAPEUTIC CLASS	CY 2022	CY 2023	% Chg
1	ENDOCRINE AND METABOLIC AGENTS - MISC.	\$9.07	\$11.83	30.37%
2	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	\$7.77	\$8.84	13.71%
3	HEMATOPOIETIC AGENTS	\$1.39	\$1.91	37.67%
4	ANALGESICS - ANTI-INFLAMMATORY	\$1.74	\$1.62	-6.88%
5	OPHTHALMIC AGENTS	\$1.44	\$1.43	-0.67%
6	DERMATOLOGICALS	\$0.54	\$1.21	122.42%
7	GASTROINTESTINAL AGENTS - MISC.	\$0.81	\$0.93	15.97%
8	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	\$0.75	\$0.79	5.21%
9	PASSIVE IMMUNIZING AGENTS	\$0.71	\$0.55	-22.92%
10	CARDIOVASCULAR AGENTS - MISC.	\$0.50	\$0.54	7.28%

Executive Summary - EUTF Non-Medicare Retirees

Total PMPM: +2.8% (+\$12.76) | \$466.42

Outpatient PMPM: +13.2% (+\$8.70) | \$74.51 PMPM

- +9.7% increase in Admits per 1,000 at Outpatient Surgery - ASCs

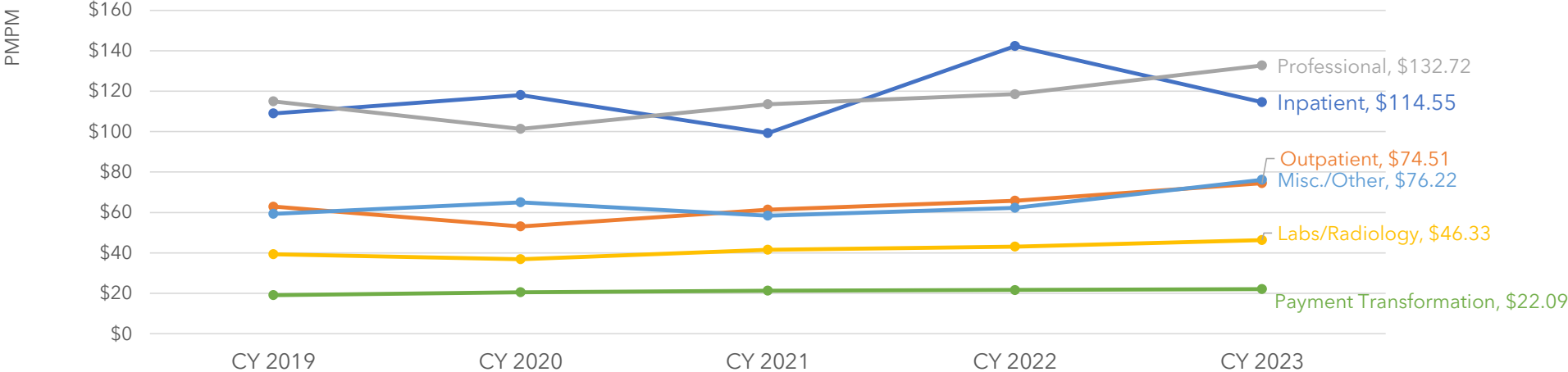
Professional Services PMPM: +12.0% (+\$14.19) | \$132.72 PMPM

- +18% utilization increase in Professional Psychiatric Services
- +13% increase in Established Patient Office Visits
- New codes for COVID and RSV immunizations

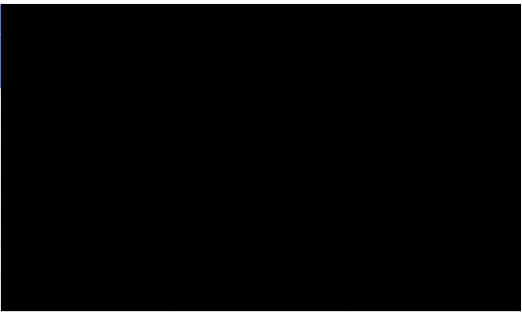
Specialty Drug PMPM: +23.5% (+\$5.92) | \$31.16 PMPM

- Multiple new to EUTF high-cost drugs
- Cost increase aligns with peer

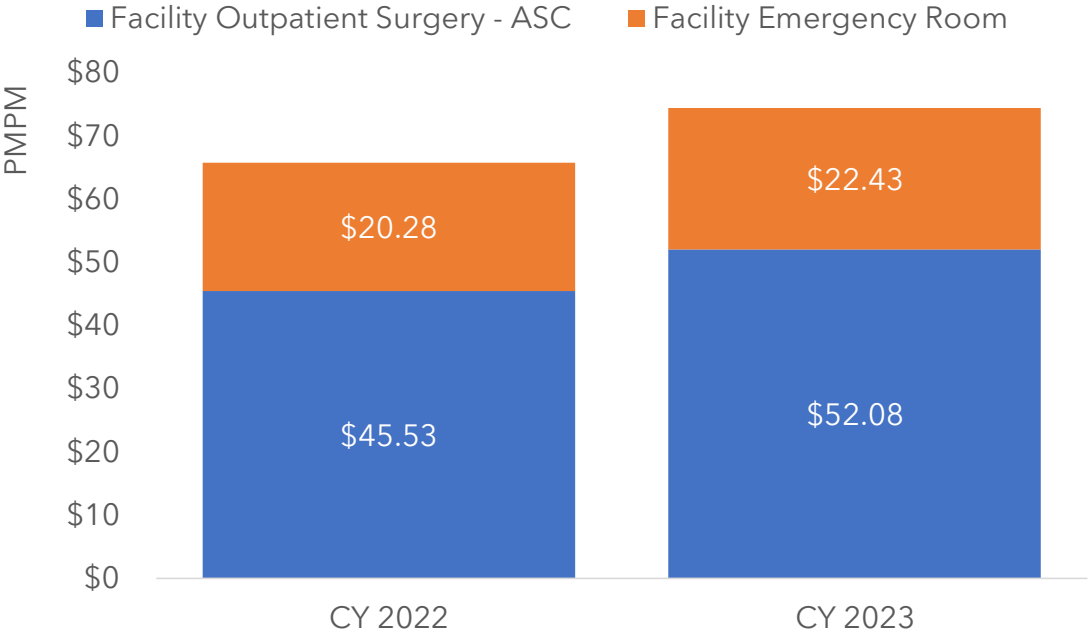
PMPM - Trend Category



EUTF Non-Medicare Retiree							
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY	CAGR (4-year)
Inpatient	\$108.96	\$118.08	\$99.30	\$142.28	\$114.55	-19.5%	1.3%
Outpatient	\$62.86	\$53.03	\$61.42	\$65.81	\$74.51	13.2%	4.3%
Professional	\$114.95	\$101.34	\$113.54	\$118.52	\$132.72	12.0%	3.7%
Labs/Radiology	\$39.36	\$36.91	\$41.50	\$43.10	\$46.33	7.5%	4.2%
Misc./Other	\$59.30	\$65.02	\$58.47	\$62.31	\$76.22	22.3%	6.5%
Payment Transformation	\$19.08	\$20.57	\$21.32	\$21.63	\$22.09	2.1%	3.7%
Total	\$404.51	\$394.95	\$395.56	\$453.66	\$466.42	2.8%	3.6%



Outpatient PMPM



Highlights

- Almost even mix of increase in cost per service and services per 1,000
- Outpatient Surgery ASC increases spread across many procedures, which may have been performed on an inpatient basis on the past.

	EUTF Non-Medicare Retiree		
	CY 2022	CY 2023	% Chg
Facility Emergency Room	\$20.28	\$22.43	10.6%
Facility Outpatient Surgery - ASC	\$45.53	\$52.08	14.4%
Total	\$65.81	\$74.51	13.2%

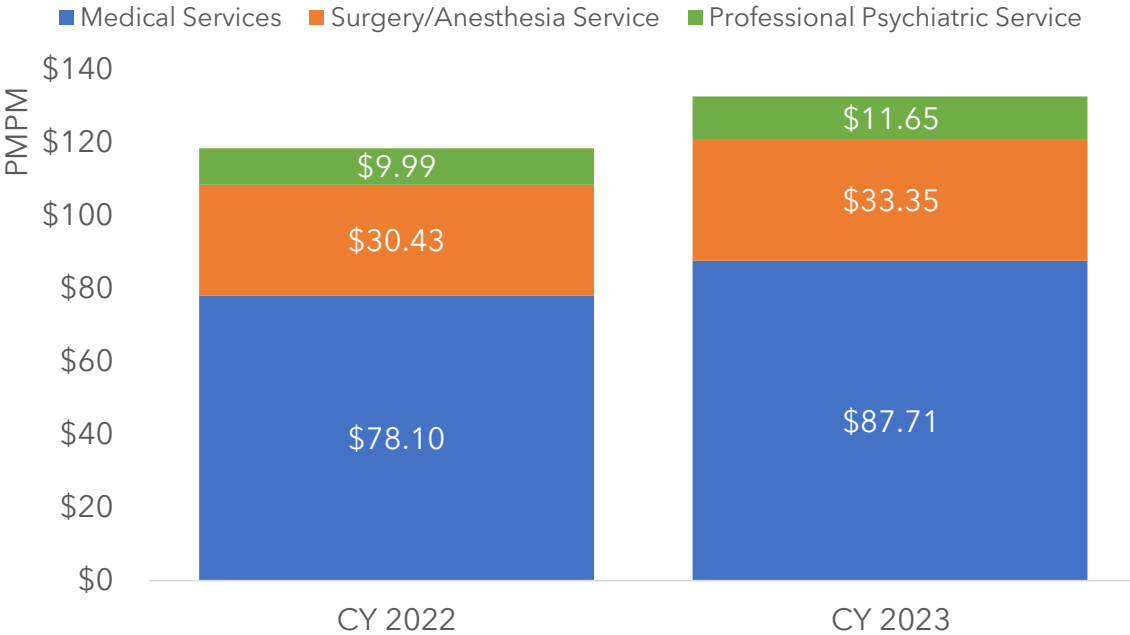
Facility Outpatient ASC

PMPM: +14.4% (+6.55) | \$52.08

- Spend increase spread across many procedures which is an indicator of general demand increase, partially due to pent-up demand post-COVID.

Top Change Contributors Procedure	Total Reimbursement			Visit Count		
	CY 2022	CY 2023	\$ Chg	CY 2022	CY 2023	# Chg
HYSTERECTOMY; ABDOMINAL AND VAGINAL	\$84,090.99	\$182,115.79	\$98,024.80	11	18	7
HIP REPLACEMENT; TOTAL AND PARTIAL	\$189,330.92	\$271,322.73	\$81,991.81	21	27	6
REPAIR OF RETINAL TEAR; DETACHMENT	\$30,417.78	\$95,408.29	\$64,990.51	10	16	6
COLONOSCOPY AND BIOPSY	\$1,106,549.80	\$1,169,580.77	\$63,030.97	708	709	1
OTHER VASCULAR CATHETERIZATION; NOT HEART	\$71,982.70	\$132,832.42	\$60,849.72	23	28	5
OTHER OR THERAPEUTIC PROCEDURES ON JOINTS	\$47,835.94	\$108,318.25	\$60,482.31	33	37	4
LENS AND CATARACT PROCEDURES	\$339,166.82	\$396,402.76	\$57,235.94	205	203	-2
DME AND SUPPLIES	\$494,815.98	\$547,939.49	\$53,123.51	552	534	-18
LUMPECTOMY; QUADRANTECTOMY OF BREAST	\$92,298.13	\$138,110.79	\$45,812.66	22	25	3
INGUINAL AND FEMORAL HERNIA REPAIR	\$100,487.24	\$144,066.82	\$43,579.58	18	18	0

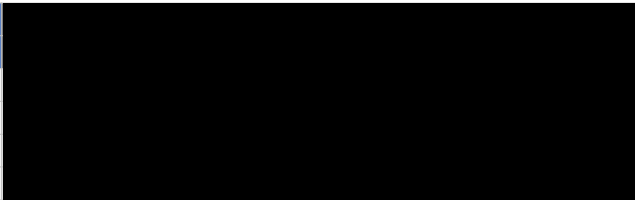
Professional Services PMPM



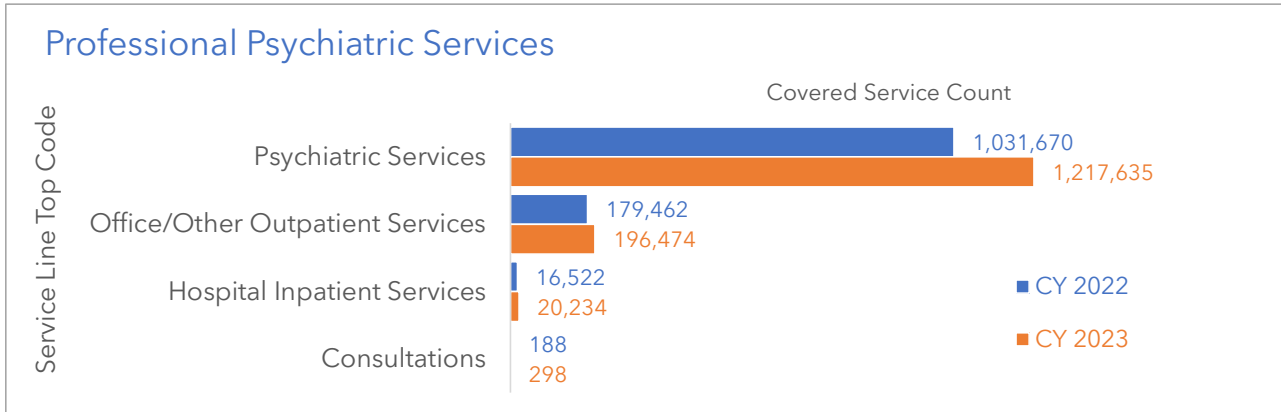
Highlights

- Increased visit volume driving Professional Psychiatric cost increases
- Medical Services:
 - Increasing office visits
 - New RSV immunization

	EUTF Non-Medicare Retiree		
	CY 2022	CY 2023	% Chg
Professional Psychiatric Service	\$9.99	\$11.65	16.7%
Medical Services	\$78.10	\$87.71	12.3%
Surgery/Anesthesia Service	\$30.43	\$33.35	9.6%
Total	\$118.52	\$132.72	12.0%

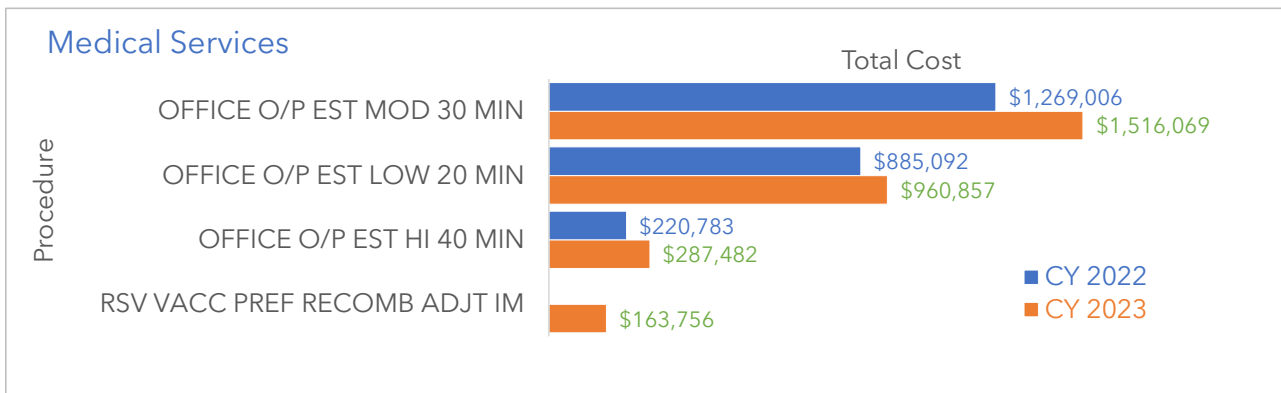


Professional Services Utilization



Highlights

- + 18% increase in psychiatric services volume, with the majority associated with counseling.



- +20% cost increase in the 3 listed established patient office visits. Increase driven by split of volume and rate increase.
- New RSV immunization introduced in 2023.

Top Specialty Drugs – Non-Medicare Retirees

Specialty Drugs PMPM: + 23.5% (+\$5.92) | \$31.16

Top Specialty Drugs

Curr Rank	Prev Rank	\$ Change	Drug Name	Therapeutic Class	Utilizers	Claims	Total Cost	Cost/Claim	% of Total Cost
1	1	\$329,329	KEYTRUDA	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	8	47	\$736,176	\$15,663.31	19.19%
2	#N/A	#N/A	KRYSTEXXA	GOUT AGENTS	1	10	\$245,195	\$24,519.46	6.39%
3	#N/A	#N/A	CABOMETYX	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	1	8	\$197,072	\$24,634.02	5.14%
4	9	\$87,120	PERJETA	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	2	14	\$187,348	\$13,381.97	4.88%
5	4	\$21,068	PRIVIGEN	PASSIVE IMMUNIZING AGENTS	2	24	\$161,785	\$6,741.06	4.22%
6	#N/A	#N/A	HERCEPTIN	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	1	13	\$160,912	\$12,377.87	4.19%
7	17	\$82,294	EVENITY, EVENITY (2 SYRINGES)	ENDOCRINE AND METABOLIC AGENTS - MISC.	18	75	\$151,052	\$2,014.03	3.94%
8	28	\$79,982	PHESGO	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	2	11	\$112,492	\$10,226.59	2.93%
9	2	(\$179,058)	AVASTIN	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	28	96	\$112,467	\$1,171.53	2.93%
10	18	\$44,325	OPDIVO	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	1	8	\$112,055	\$14,006.94	2.92%

- 8 out of the top 10 specialty drugs are for the treatment of cancer.
- 7 out of the top 10 have just one or two unique users.

Top Movers

- **Krystexxa**: Used in the treatment of gout. Only one user.
- **Cabometyx**: Used in the treatment of select cancers. Only one user.
- **Herceptin**: Used in the treatment of breast and stomach cancer. Only one user.

Top Therapeutic Classes - Non-Medicare Retiree

NON-MEDICARE RETIREES		EUTF		
RANK	THERAPEUTIC CLASS	CY 2022	CY 2023	% Chg
1	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	\$17.72	\$18.59	4.91%
2	ENDOCRINE AND METABOLIC AGENTS - MISC.	\$2.25	\$4.21	87.21%
3	GOUT AGENTS	#N/A	\$1.99	#N/A
4	PASSIVE IMMUNIZING AGENTS	\$1.18	\$1.66	40.55%
5	OPHTHALMIC AGENTS	\$0.29	\$0.87	197.12%
6	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	\$0.71	\$0.83	16.18%
7	ANALGESICS - ANTI-INFLAMMATORY	\$0.07	\$0.82	1158.23%
8	HEMATOPOIETIC AGENTS	\$1.36	\$0.78	-42.88%
9	GASTROINTESTINAL AGENTS - MISC.	\$0.18	\$0.41	133.25%
10	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	\$0.37	\$0.33	-9.29%

EUTF Active Plans

July 2023 - December 2023



Key Terms and Background

Reporting Period

Current Plan Year:

Incurred July 2023 - December 2023, Paid through March 2024.

Data for historical periods are based on a full 12-months, incurred during plan year (July - June) , paid through September of the following year.

Year-over-Year (YoY)

Metric used to represent the percentage change from the prior plan year to the current plan year.

For this Report: Plan Year 2023 vs Plan Year 2024

Benchmark/Peer

HMSA Merit Rated Group (MRG), Retro Rate Group (RRG) , Alternative Financing Methods (AFM) / Administrative Services Only (ASO) Groups

Compound Annual Growth Rate (CAGR)

Metric used to represent an annualized trend over a set period; for purposes of this report, over a four-year period.

Four Year CAGR: Plan Year 2020 vs Plan Year 2024

Per Member Per Month (PMPM)

Industry standard metric for comparing overall expenditures which adjusts for fluctuation in membership.

Services/Admissions per 1,000

Industry standard metric of the overall utilization of a service which adjusts for changes in membership over time.

Exclusions

HSTA VB | EUTF Part-Time/ Temp Plan | Chiropractic Claims

Executive Summary - EUTF Actives

Total PMPM: +11.7% (+\$40.84) | \$389.39

Inpatient PMPM: +16.7% (\$18.16) | \$126.87 PMPM

- Driven by high-cost admissions in first half of PY 2024.

	>\$500k	>\$1M
PY 2023	10	0
PY 2024	5	3

Professional PMPM: +12.9% (\$11.78) | \$102.87 PMPM

- Similar trends to Non-Medicare Retirees. Increased office visits and new COVID codes.

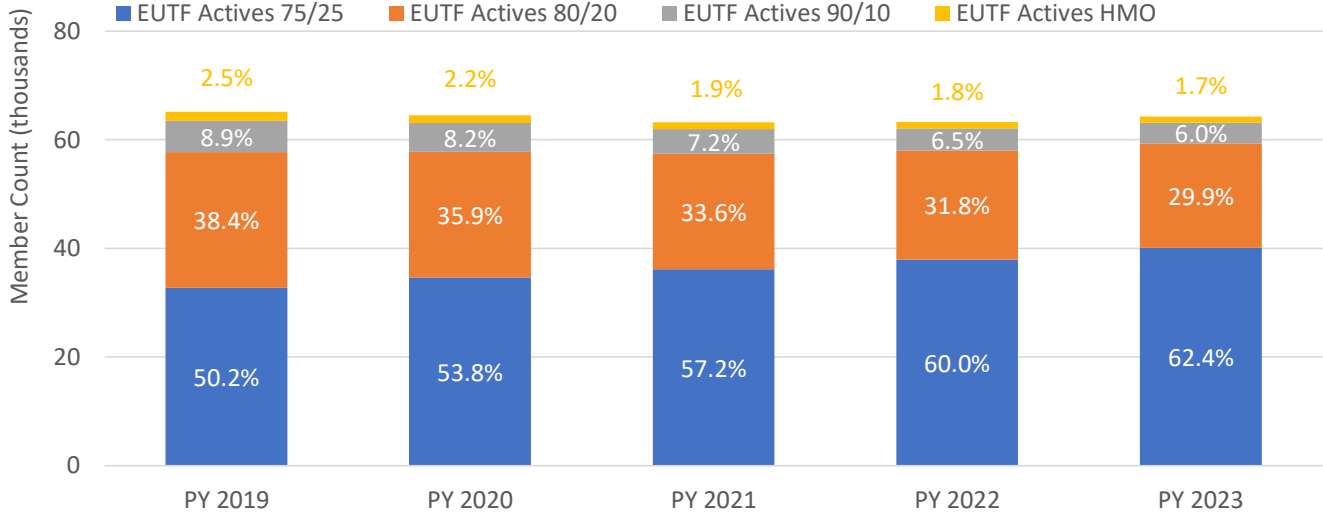
Specialty Drug PMPM: +29.4% (+\$4.96) | \$21.84 PMPM

- +17% increase in claims per 1,000

Membership

- Largest enrollment growth in recent years (+1.6%) after few years of decline. Still below pre-2020 enrollment count.
- Membership continues to shift towards the low-premium 75/25 plan, remains the only Active plan with enrollment growth.

Enrollment - Plan Breakdown

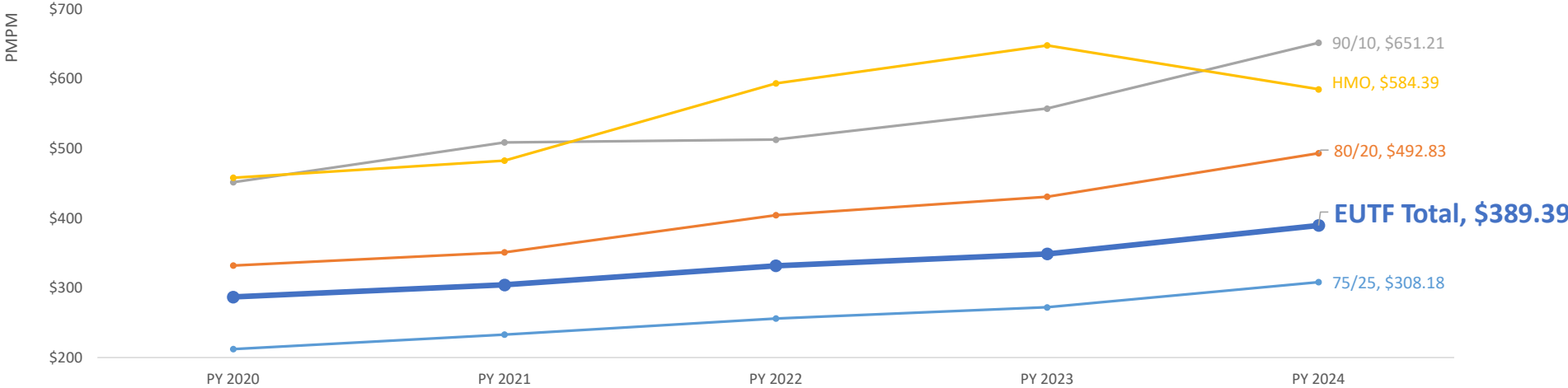


Highlights

- Largest enrollment growth in recent years
- Growth continues to occur in 75/25 and decrease in all other plans

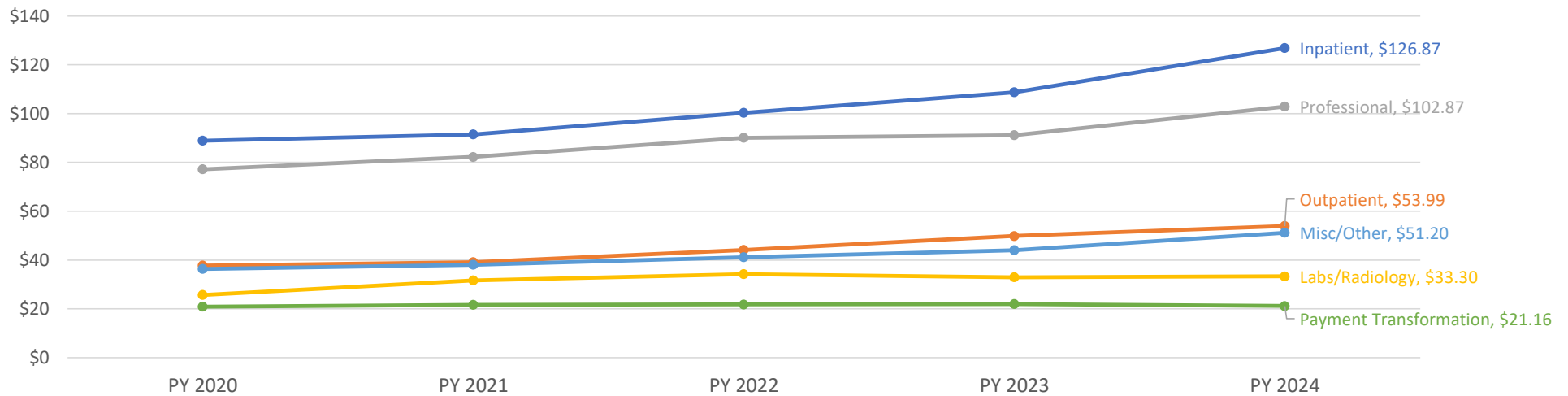
	PY 2020	PY 2021	PY 2022	PY 2023	PY 2024	YoY	CAGR (4-year)
EUTF Actives 75/25	32,715	34,652	36,138	37,905	40,093	5.8%	5.2%
EUTF Actives 80/20	24,991	23,125	21,254	20,077	19,195	-4.4%	-6.4%
EUTF Actives 90/10	5,799	5,286	4,554	4,084	3,849	-5.8%	-9.7%
EUTF Actives HMO	1,612	1,397	1,223	1,156	1,111	-3.9%	-8.9%
All EUTF Actives	65,117	64,460	63,169	63,222	64,248	1.6%	-0.3%

PMPM Trend Comparison - Actives



	PY 2020	PY 2021	PY 2022	PY 2023	PY 2024	YoY	CAGR (4-year)
75/25	\$212.29	\$232.90	\$255.91	\$272.00	\$308.18	13.3%	9.8%
80/20	\$332.03	\$350.77	\$404.08	\$430.50	\$492.83	14.5%	10.4%
90/10	\$451.18	\$508.21	\$512.28	\$556.84	\$651.21	16.9%	9.6%
HMO	\$457.56	\$482.11	\$592.99	\$647.27	\$584.39	-9.7%	6.3%
EUTF Total	\$286.78	\$304.16	\$331.55	\$348.56	\$389.39	11.7%	7.9%

PMPM Trend by Trend Category - Actives



	EUTF Actives						
	PY 2020	PY 2021	PY 2022	PY 2023	PY 2024	YoY	CAGR (4-year)
Inpatient	\$88.94	\$91.43	\$100.27	\$108.71	\$126.87	16.7%	9.3%
Outpatient	\$37.73	\$39.12	\$44.13	\$49.82	\$53.99	8.4%	9.4%
Professional	\$77.15	\$82.23	\$90.03	\$91.09	\$102.87	12.9%	7.5%
Labs/Radiology	\$25.71	\$31.67	\$34.21	\$32.94	\$33.30	1.1%	6.7%
Misc./Other	\$36.31	\$38.09	\$41.11	\$44.02	\$51.20	16.3%	9.0%
Payment Transformation	\$20.94	\$21.63	\$21.80	\$21.97	\$21.16	-3.7%	0.3%
Total	\$286.78	\$304.16	\$331.55	\$348.56	\$389.39	11.7%	7.9%

Spend related to Other Facility Outpatient has been relocated to the Misc./Other Trend Category. Labs/Radiology/Other has been separated into two trend categories.



QUESTIONS?

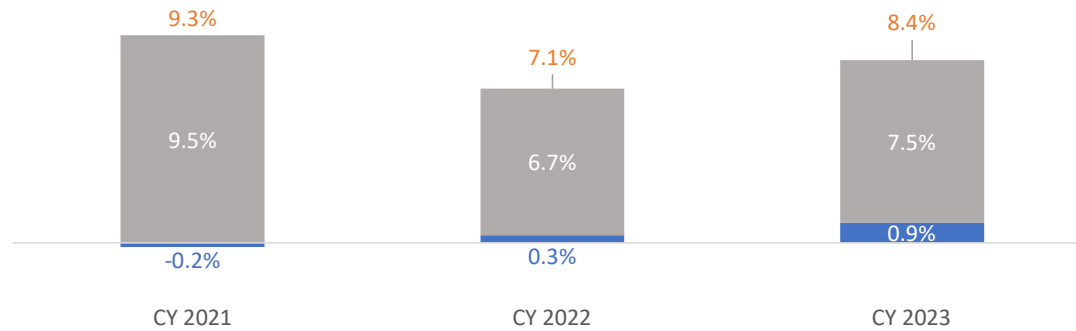
MAHALO!

Appendix

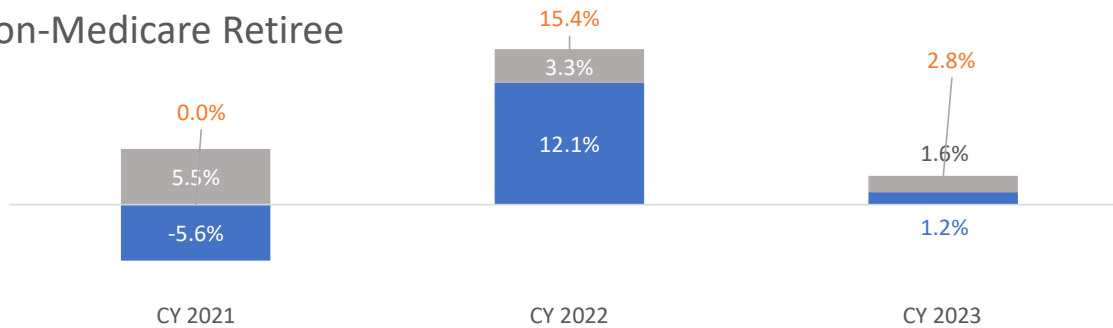
Cost and Utilization changes year over year

Medicare Retiree

■ Cost Change ■ Utilization Change Total Change

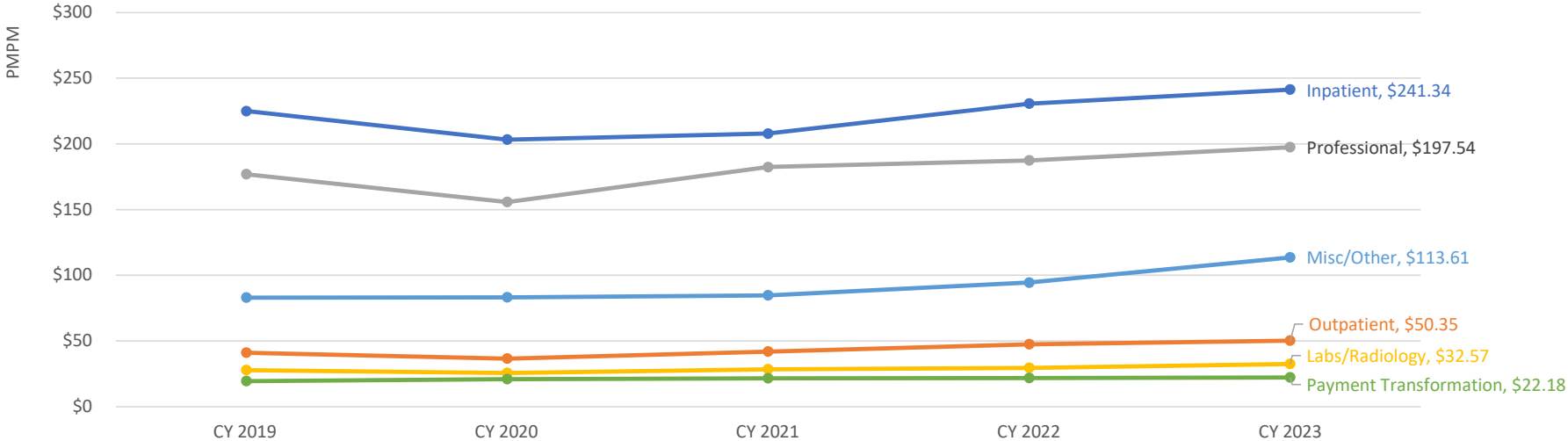


Non-Medicare Retiree



Cost Change - Weighted year over year percentage change in cost per service
 Utilization Change - Weighted year over year percentage change in services per 1,000

PMPM Trend by Trend Category - All Retiree



	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY	CAGR (4-Year)
Inpatient	\$224.95	\$203.29	\$207.87	\$230.68	\$241.34	4.6%	1.8%
Outpatient	\$40.96	\$36.62	\$41.95	\$47.51	\$50.35	6.0%	5.3%
Professional	\$176.96	\$155.76	\$182.37	\$187.41	\$197.54	5.4%	2.8%
Labs/Radiology	\$27.74	\$25.54	\$28.41	\$29.52	\$32.57	10.3%	4.1%
Misc./Other	\$83.01	\$83.19	\$84.74	\$94.44	\$113.61	20.3%	8.2%
Payment Transformation	\$19.37	\$20.98	\$21.60	\$21.71	\$22.18	2.2%	3.4%
Total	\$572.99	\$525.38	\$566.94	\$611.28	\$657.60	7.6%	3.5%



Large Claims Impact

	High-Cost Claims		Reimbursement for High-Cost Claims		Proportion of Total Claims		Prop of Total Reimbursement	
	PY 2022	PY 2023	PY 2022	PY 2023	PY 2022	PY 2023	PY 2022	PY 2023
Medicare Retirees	58	76	\$10,849,664	\$12,134,314	0.0045%	0.0057%	3.11%	3.12%
Non-Medicare Retiree	35	32	\$9,112,141	\$5,515,280	0.0185%	0.0172%	17.16%	10.08%

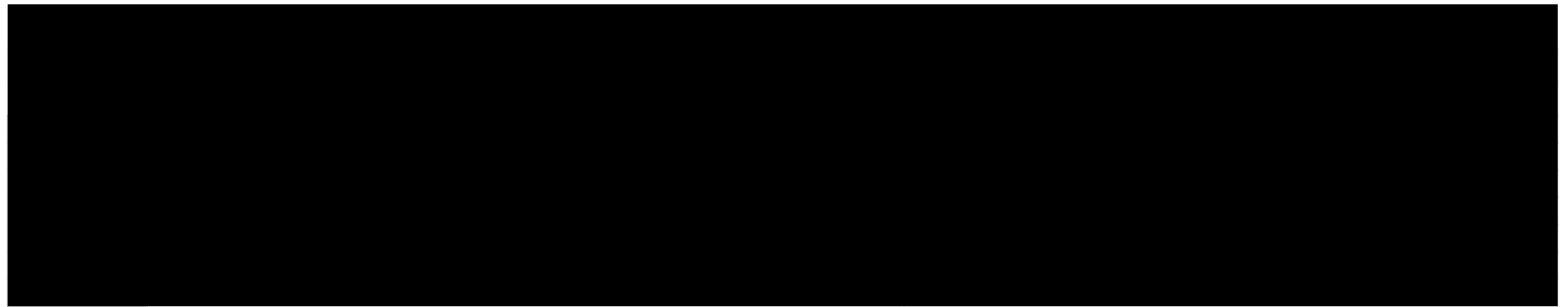
Telehealth Psychiatric Utilization

	Telehealth Prop of Psychiatric Utilization				
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Retirees	1.4%	46.1%	57.7%	45.3%	38.5%

Low-Intensity ER Utilization

Medicare & Non-Medicare Retirees

	Low-Intensity Rate					Low Intensity Services per 1,000				
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
HAWAII	12.6%	25.3%	31.1%	24.2%	23.9%	43.9	71.4	86.5	74.5	76.0
KAUAI	7.0%	6.1%	5.3%	7.0%	7.2%	25.9	20.4	16.3	25.8	26.7
LANAI	26.8%	#N/A	25.8%	8.0%	12.8%	92.4	#N/A	71.9	34.8	51.2
MAUI	7.5%	6.5%	8.1%	10.4%	11.8%	20.0	12.4	16.1	27.4	33.9
MOLOKAI	12.3%	7.6%	10.8%	10.7%	14.2%	122.8	59.9	67.0	29.7	43.8
OAHU	7.7%	7.9%	7.8%	8.4%	7.6%	26.6	20.6	20.9	23.7	21.6
TOTAL	8.7%	10.7%	11.8%	11.3%	10.8%	26.7	25.6	28.3	29.3	28.8



Inpatient - Retiree

All EUTF Retirees	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY	CAGR (4-year)
PMPM	\$224.95	\$203.29	\$207.87	\$230.68	\$241.34	4.6%	1.77%
Average Length of Stay	9.9	10.0	10.3	10.7	10.1	-5.4%	0.64%
Admissions per 1000	159.0	132.6	132.9	142.1	149.8	5.4%	-1.48%
Average Cost	\$16,977	\$18,400	\$18,774	\$19,484	\$19,337	-0.8%	3.31%

EUTF Medicare Retirees	CY 2022	CY 2023	% Change
PMPM	\$250.11	\$268.53	7.4%
Average Length of Stay	10.9	10.3	-5.1%
Admissions per 1000	163.3	172.2	5.5%
Average Cost	\$18,381	\$18,714	1.8%

EUTF Non-Medicare Retirees	CY 2022	CY 2023	% Change
PMPM	\$142.28	\$114.55	-19.5%
Average Length of Stay	8.0	6.7	-15.9%
Admissions per 1000	45.6	45.2	-0.8%
Average Cost	\$37,450	\$30,393	-18.8%

Outpatient - Retiree

All EUTF Retirees	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY	CAGR (4-year)
PMPM	\$40.96	\$36.62	\$41.95	\$47.51	\$50.35	6.0%	5.3%
Admissions per 1000	590.4	471.3	506.4	554.4	565.8	2.0%	-1.1%
Average Cost	\$832.53	\$932.34	\$993.95	\$1,028.21	\$1,067.94	3.9%	6.4%

EUTF Medicare Retirees	CY 2022	CY 2023	% Change	
PMPM	\$43.48	\$45.17	3.9%	
Admissions per 1000	597.0	605.6	1.4%	
Average Cost	\$874.03	\$895.04	2.4%	

EUTF Non-Medicare Retirees	CY 2022	CY 2023	% Change	
PMPM	\$65.81	\$74.51	13.2%	
Admissions per 1000	360.6	379.9	5.3%	
Average Cost	\$2,189.88	\$2,353.70	7.5%	

Professional - Retiree

All EUTF Retirees	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY	CAGR (4-year)
PMPM	\$176.96	\$155.76	\$182.37	\$187.41	\$197.54	5.4%	2.8%
Services per 1000	23,657	20,393	23,303	23,882	25,309	6.0%	1.7%
Average Cost	\$89.76	\$91.66	\$93.92	\$94.17	\$93.66	-0.5%	1.1%

EUTF Medicare Retirees	CY 2022	CY 2023	% Change	
PMPM	\$202.55	\$211.44	4.4%	
Services per 1000	24,791	26,335	6.2%	
Average Cost	\$98.04	\$96.34	-1.7%	

EUTF Non-Medicare Retirees	CY 2022	CY 2023	% Change	
PMPM	\$118.52	\$132.72	12.0%	
Services per 1000	19,743	20,524	4.0%	
Average Cost	\$72.04	\$77.60	7.7%	

Lab/Radiology - Retiree

All EUTF Retirees	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY	CAGR (4-year)
PMPM	\$27.74	\$25.54	\$28.41	\$29.52	\$32.57	10.3%	4.1%
Services per 1000	5,902.2	5,448.4	6,048.7	6,142.0	6,380.8	3.9%	2.0%
Average Cost	\$56.39	\$56.25	\$56.36	\$57.67	\$61.25	6.2%	2.1%

EUTF Medicare Retirees	CY 2022	CY 2023	% Change
PMPM	\$26.53	\$29.62	11.6%
Services per 1000	4,868.4	5,195.0	6.7%
Average Cost	\$65.40	\$68.41	4.6%

EUTF Non-Medicare Retirees	CY 2022	CY 2023	% Change
PMPM	\$43.10	\$46.33	7.5%
Services per 1000	11,938.0	11,911.3	-0.2%
Average Cost	\$43.32	\$46.67	7.7%

Misc./Other - Retiree

All EUTF Retirees	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YoY	CAGR (4-year)
PMPM	\$83.01	\$83.19	\$84.74	\$94.44	\$113.61	20.3%	8.2%
Services per 1000	7,624.0	6,164.5	6,137.6	6,190.6	6,244.4	0.9%	-4.9%
Average Cost	\$130.65	\$161.94	\$165.67	\$183.07	\$218.33	19.3%	13.7%

EUTF Medicare Retirees	CY 2022	CY 2023	% Change
PMPM	\$101.50	\$121.63	19.8%
Services per 1000	6,768.9	6,861.4	1.4%
Average Cost	\$179.95	\$212.71	18.2%

EUTF Non-Medicare Retirees	CY 2022	CY 2023	% Change
PMPM	\$62.31	\$76.22	22.3%
Services per 1000	3,558.5	3,366.5	-5.4%
Average Cost	\$210.13	\$271.69	29.3%

Maximum Out of Pocket - Actives

	90/10	80/20	75/25	HMO
MOOP Amount (Individual Family)	\$2,000 \$4,000	\$2,500 \$5,000	\$5,000 \$10,000	\$1,500 \$3,000
# Hitting MOOP (Individual Family)	128 8	534 77	280 53	7 0
Average Count (Individual Family)	5,614 1,052	24,256 5,312	38,833 8,901	1,136 186
% Hitting MOOP (Individual Family)	2.3% 0.8%	2.2% 1.4%	0.7% 0.6%	0.6% 0.0%

Data for calendar year 2023



EUTF & HSTA VB Retiree Utilization

Plan Year Ending
12/31/2023

Presented by Monica Kim 05/21/2024

PUBLIC



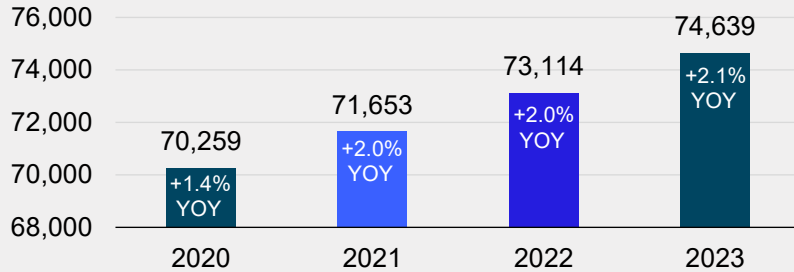
Executive Summary

- Average Enrollment has consistently increased by approximately 2% Year over Year since CY 2020.
- 2023 Average Claim Cost increased by nearly 4.1% compared to 2022.
- The percentage of EUTF retirees receiving an annual eye exam (28%) continues trending up and is closing in on the VSP national book of business average [REDACTED]
- 92% of services are received from VSP network providers, up 1% over CY2022.
 - 83% went to a VSP Private Practice.
 - 61% of those VSP Private Practices were Premier Edge locations.
- EUTF retirees preferred glasses over contacts 72% to 28%, with anti-glare coating being the most popular non-covered lens enhancement.
- VSP's negotiated discounts on Usual & Customary charges and non-covered lens enhancements (e.g., anti-reflective coating, polycarbonate lenses, progressive lenses) saved EUTF and retirees over \$5.3M throughout 2023.

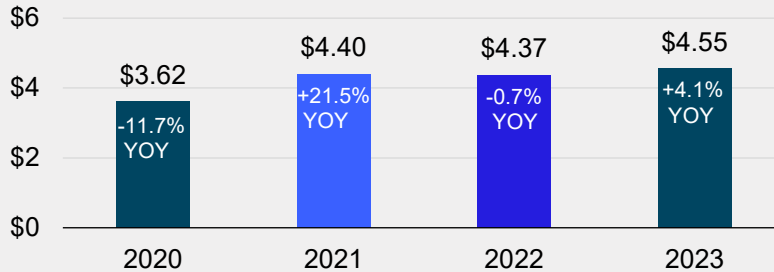


EUTF Retirees - Utilization Review

Average Enrollment

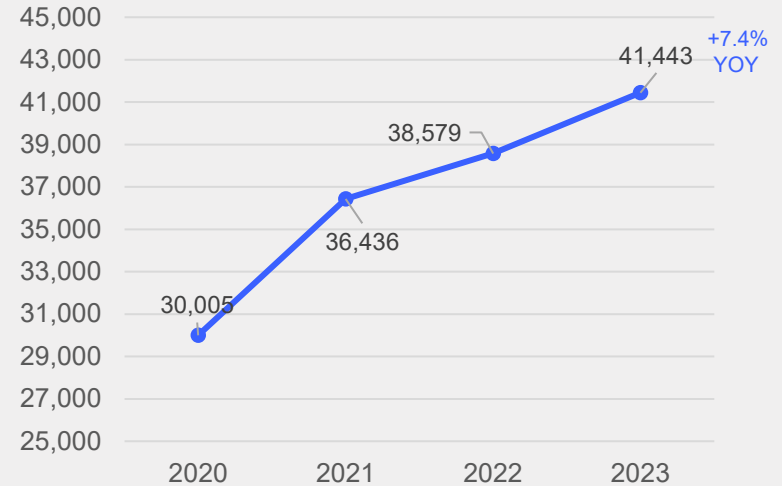


Claim Cost Per Member/Month (PMPM)



VSP's National BOB Average Trend is [redacted] over the last 3 CY's

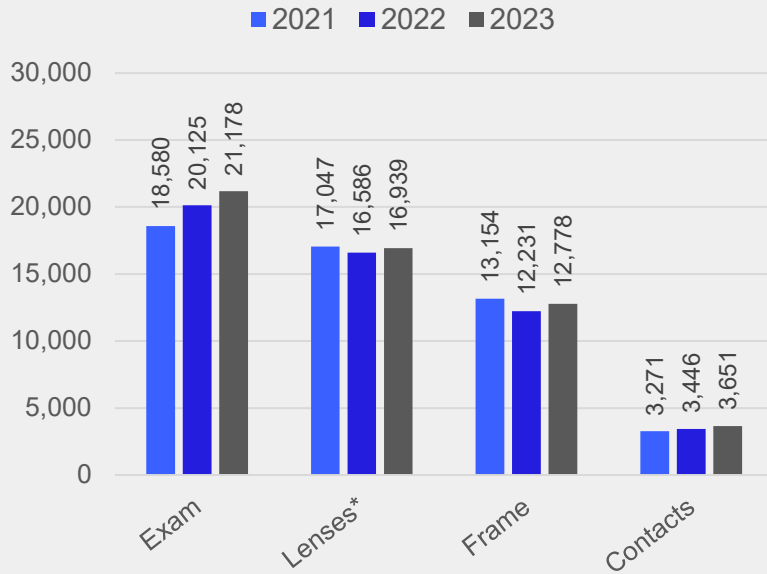
Rate of Utilization – Number of Claims



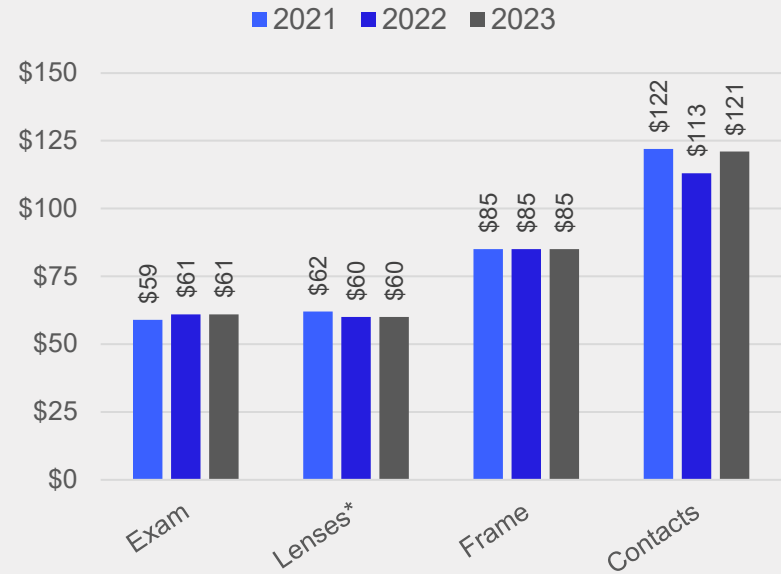
Plan Year	Total Claims \$	YOY% change
2020	\$3,052,403	-10.5%
2021	\$3,781,934	+23.9%
2022	\$3,836,100	+1.4%
2023	\$4,079,651	+6.3%

EUTF Retirees – Vision Services Usage & Cost

Number of Services by Type



Average Cost by Service Type



* Lenses category considers Single Vision, Bifocal and Trifocal combined

EUTF Retirees Plan Design Today

	Service Frequency	Copays	Frame Allowance	Contact Lenses	Covered Lens Enhancements	Essential Medical Eye Care
VSP Signature	Exam 12 months Lenses 12 months Frame 24 months	\$10 Exam \$25 Glasses (Lenses &/or Frame)	\$150	\$130	UV Protection	\$20

Partnering with VSP Drives Positive Outcomes

2019

Added Walmart & Sam's Club to Network

Outcome

Increased Retail Network

2020

Added Standard Progressives

Outcome

Reduced Member OOP Cost

2021

Increased Frame Allowance to \$150
Increased Contact Lens Allowance to \$130
Separated Contact Exam & Lenses
Maximum \$60 copay for Contacts Exam

Outcome

Reduced Member OOP Cost

Eye Exam Benchmarking

	2020	2021	2022	2023
Eye Exams				
EUTF Retirees	22%	26%	27%	28%
vs. VSP Hawaii BOB	[REDACTED]			
vs. VSP National BOB	[REDACTED]			

Ongoing Member Outreach

- VSP Diabetic Exam Reminder Letters – VSP sends monthly to members who haven't received an eye exam in the 14 months prior
- Annual EUTF Exam Reminder Mailings (every August)
- Holomua Articles promoting eye exams (Q1 and Q3)
- EUTF Sweepstakes promoting annual eye exams and vsp.com accounts (May)

14,554
Diabetic
Eye Exam Reminders
sent to
EUTF Retirees
in 2023

Eyewear At-A-Glance – Calendar Year 2023

	EUTF Retirees	VSP Hawaii BOB	VSP BOB
Glasses	72%		
Contacts	28%		
Lens Enhancements	63%		
	Anti-Reflective		
	—		
	58%		
	Polycarbonate		
	—		
	57%		
	Progressives		
	—		
	46%		
	UV Protection		

Data based on eyewear claims

Member usage by percentage (%) between glasses or contacts and most popular lens enhancements selected for glasses

VSP Value for EUTF Retirees

>\$3.6M

EUTF Savings over
Usual & Customary Charges

\$1.7M

Retirees' Savings on
Non-Covered Lens
Enhancements



EUTF Retirees – Spend Less on Frames

2023 CY Benefits

Frame Allowance

\$150

Covered-In-Full Frames

26%

Average Out-of-Pocket

\$53

Average Out-of-Pocket Spend by Retirees

2020

\$54

2021

\$41

2022

\$46

YTD 2024 – 25% covered in full frames, Average OOP - \$67



Lower Lens Costs = Increased Savings for EUTF Retirees

CY 2023	Top Non-Covered Lens Enhancements	Average Out-of-Pocket	Average Savings
Anti-Reflective Coating	27%	\$71	\$74
Polycarbonate (Adults)	25%	\$29	\$34
Progressive Lenses	17%	\$128	\$119

Member Savings are a result of VSP's negotiated discounts with participating private practice doctors.

Thank You.

Our Focus – Partners Like You.

vsp[™]
vision care

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Appendix

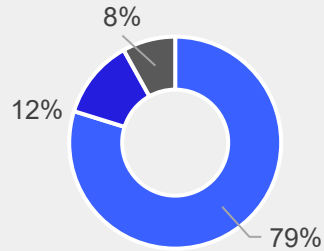
Supplemental Slides

For additional slide deck content, please see our appendix of supplemental slides, broken down by topics, including but not limited to:

- [EUTF Retirees – Eye Health Management / Healthy Innovations](#): Eye Exams provide early detection of chronic conditions, results for EUTF Retiree population
- [EUTF Retirees – Prevalence of Lens Enhancements](#): Percentages of the top 4 Lens Enhancements
- [VSP Premier Edge](#): Overview of advantages for members to receive services from VSP Premier Edge Providers
- [Future Consideration – VSP PremierMax](#): Provides reduced member out-of-pocket costs at VSP Premier Edge Providers, reducing economic barriers for members
- [Top 100 Clients with Most Engaged Members](#): Plan traits of VSP BOB clients & EUTF

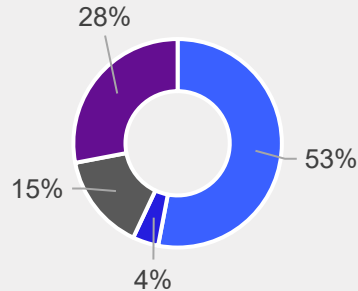
EUTF Retirees – Eye Health Management / Healthy Innovations

EUTF Retiree Data
Diabetes & Eye Disease



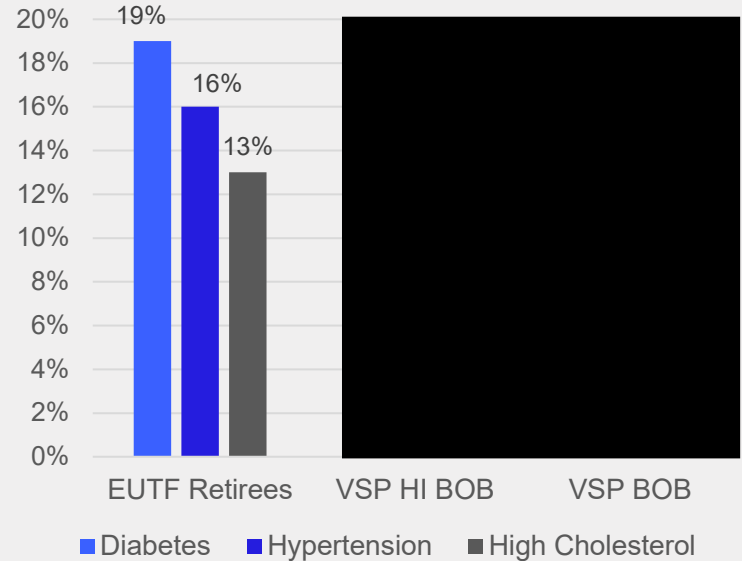
- Diabetes w/No Eye Disease
- Diabetes w/Other Conditions
- Diabetes & Retinopathy

EUTF Retiree Data
Diabetes & Chronic Conditions

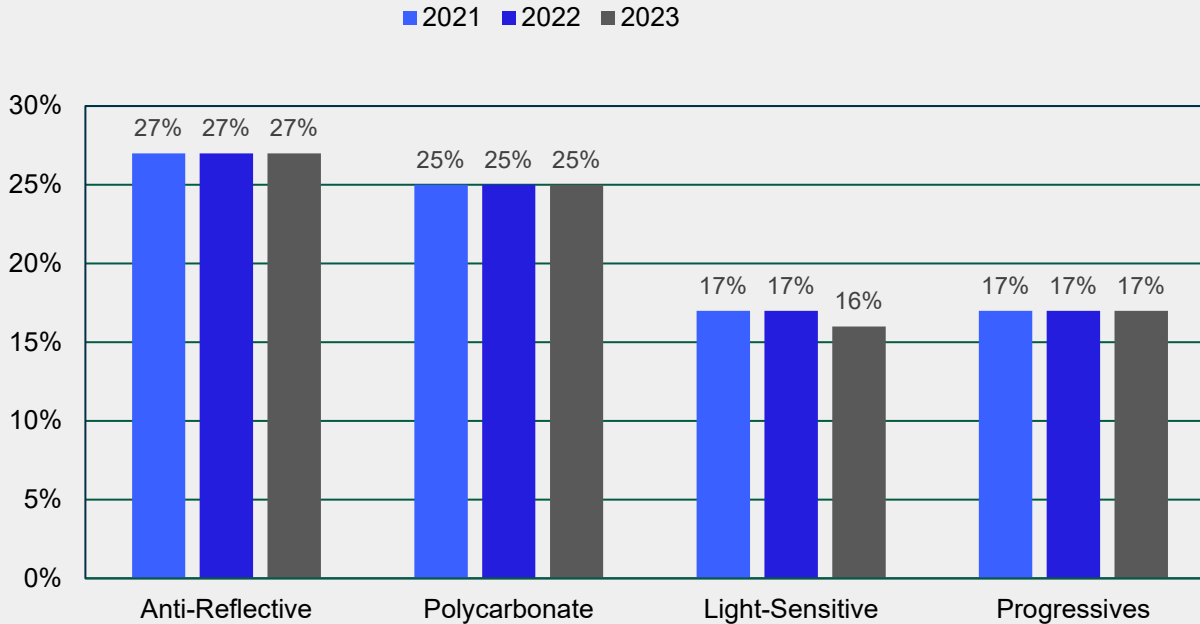


- Diabetes Only
- Diabetes & High Cholesterol
- Diabetes & Hypertension
- Diabetes w/High Cholesterol & Hypertension

Member Health
EUTF Retiree v. VSP HI BOB & VSP BOB



EUTF Retirees – Prevalence of Lens Enhancements



Top 4 Non-Covered
Lens Enhancements
purchased by
EUTF Retirees

Percentages based
on number of
Lens Enhancement
services

Premier Edge™ Promise



Retirees enjoy a first-of-its-kind, worry-free eyewear guarantee with triple protection—the most comprehensive in the industry, at Premier Edge locations.



Replacement within 12 months if their Featured Frame Brand selection is accidentally broken or damaged at no cost¹



New exam and replacement lenses if their prescription changes within 12 months²



Replacement within 100 days of purchase if they don't love their Featured Frame Brand selection³

1. \$40 processing fee applies to replacement lenses if needed.
2. \$40 processing fee applies to replace lenses (minimum Rx change required).
3. \$40 processing fee applies.



Optimizing Value with VSP PremierMax

Remove barriers to care while delivering the highest value and exclusive savings at Premier Edge™ locations.

Choose from:

Eye Care

\$0 copay for:

WellVision Exam®

- or -

Retinal screening

- or -

Essential Medical
Eye Care Exam

Eyewear

Covered lens
enhancements

- or -

\$0 materials copay



Top 100 Clients With Most Engaged Members – VSP BOB

72%

12/12/12 Frequency

54%

\$15 or Less
Materials Copay

90%

Cover More Than One
Lens Enhancement

85%

\$10 or Less
Exam Copay

47%

\$180 or Higher
Frame Allowance

42%

Go to a Premier
Program location

 = EUTF Plan



PUBLIC

EUTF BENEFITS COMMITTEE MEETING
May 21, 2004

EUTF & HSTA VB RETIREES UTILIZATION

JANUARY 1, 2023 – December 31, 2023

REDACTED FOR THE PUBLIC

Presented by: Stacia Baek, *Strategic Account Executive*





Key Terms and Background

POPULATION

EUTF Retirees | HSTA VB Retirees

REPORTING PERIOD

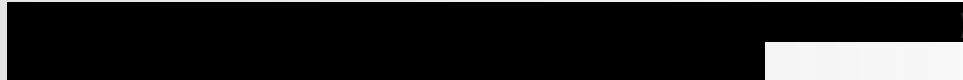
CURRENT:

Incurred from January 2023 - December 2023

Paid through March 2024

Historical data periods follow same guidelines: incurred during plan year; paid through March of end of following plan year.

BENCHMARK/PEERS



DIAGNOSTIC AND PREVENTIVE

Routine exams, x-rays, cleanings, fluoride, etc.

BASIC CARE

Fillings, root canals, oral surgeries, gum/bone surgeries and maintenance, etc.

MAJOR CARE

Crowns, bridges, dentures, implants, etc.



Key Insights

EUTF & HSTA VB Retirees utilization has picked up after the 2020 COVID-19 dental office closures. The most recent calendar year ending 2023 shows increased utilization of +3.6% over the prior period.

Retiree subscribers have increased 1.7% over the last year and members have also increased by 1.1%.

On average, 44% of claims were paid for Diagnostic & Preventive (D&P) Services, 24% were paid for Basic Services, and 32% were paid for Major Services.

EUTF & HSTA VB Retirees have higher rates of oral exams and cleanings **and lower rates of No Visits** than its peers.

98.2% of members visited an In-Network Dentist,

3.6% of members met their \$2,000 Annual Plan Maximum.

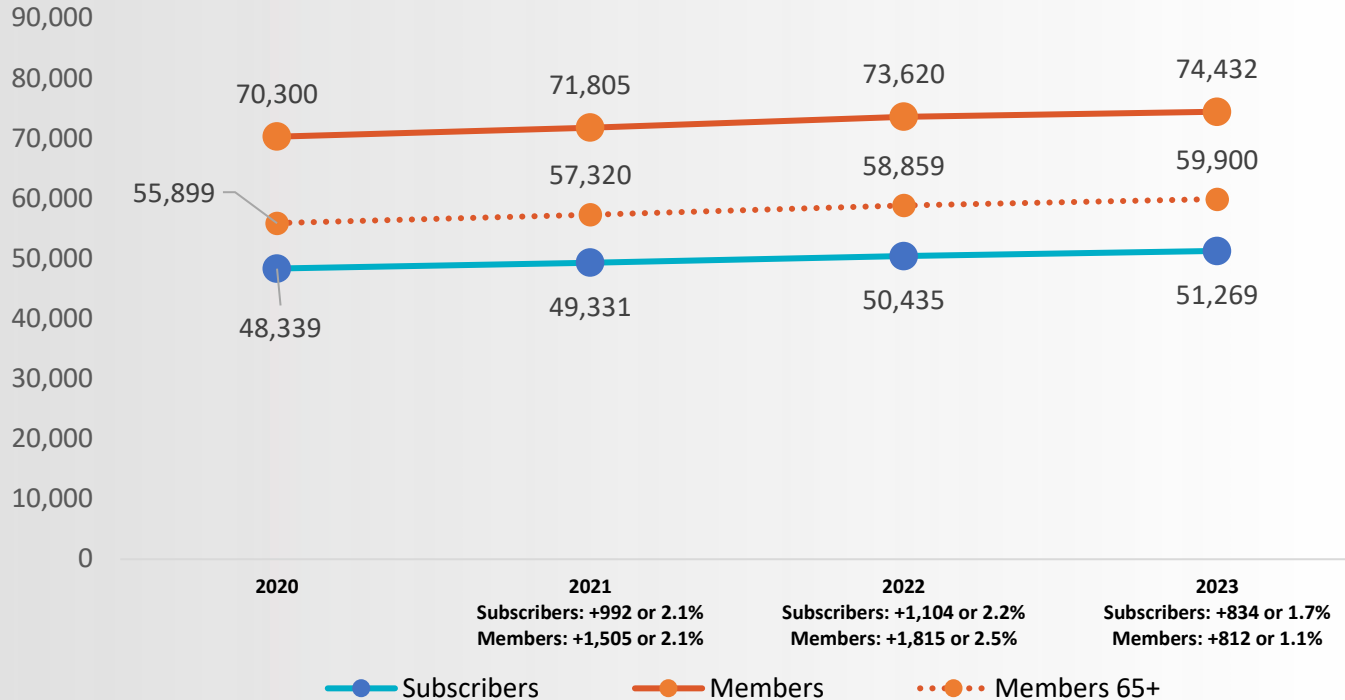
It pays to visit a dentist. Members with no prior visits incur \$59 to \$268 more dental costs than those with prior dental visits.



Year-End Enrollment

HIGHLIGHTS

- Steady increase year over year (YoY) in overall Retirees enrollment ranging between 1% to 2% annually.

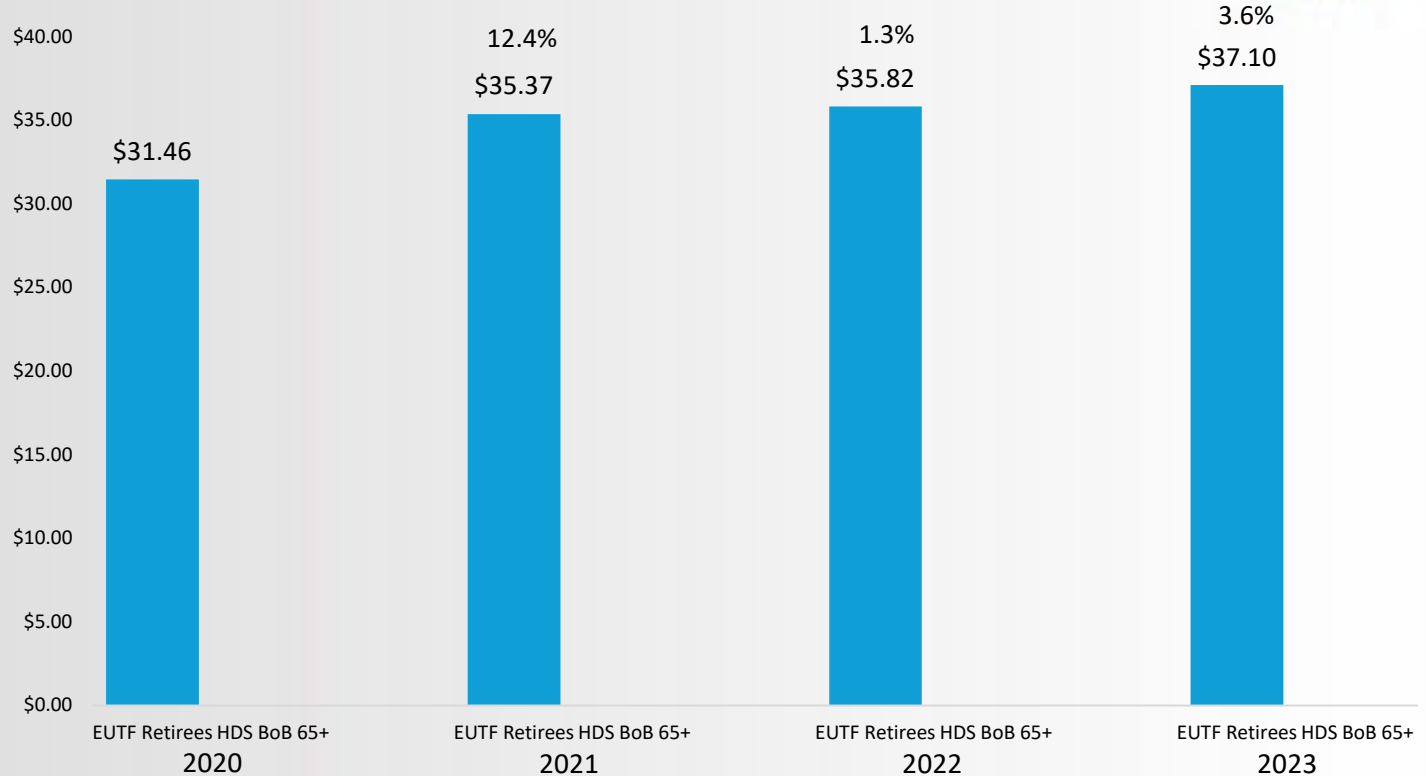




Total Claims Paid Per Member Per Month

HIGHLIGHTS

- Utilization for the EUTF Retirees has been steady in 2022 and 2023.
 - Utilization has gradually been returning to pre-pandemic levels.
-
- Lower utilization in 2020 due to COVID-19.

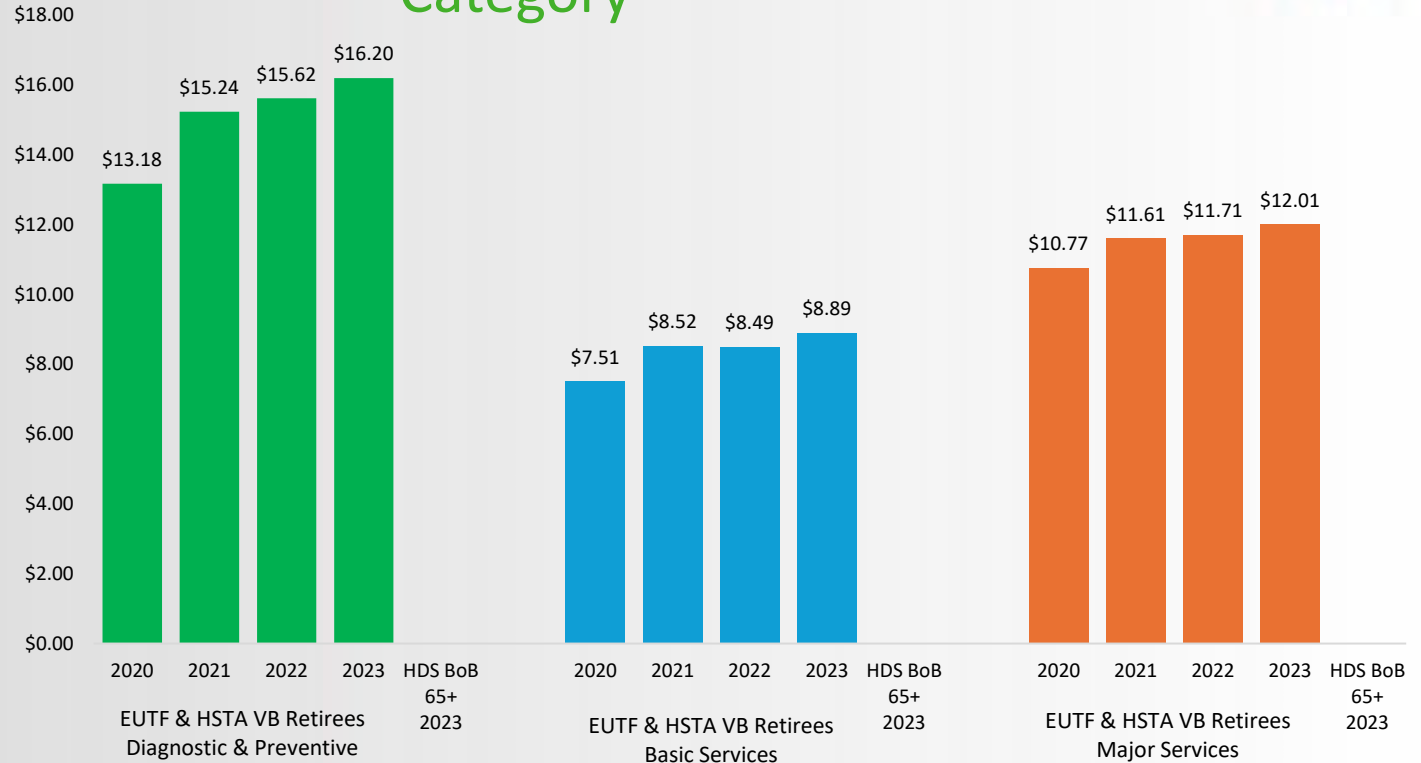




Claims Paid Per Member Per Month By Category

HIGHLIGHTS

- EUTF Retirees have higher D&P utilization than their Peers and shows positive growth, while Major Care services show a slower growth.
- EUTF Retirees have higher Major care services utilization than Peers due to its richer plan design

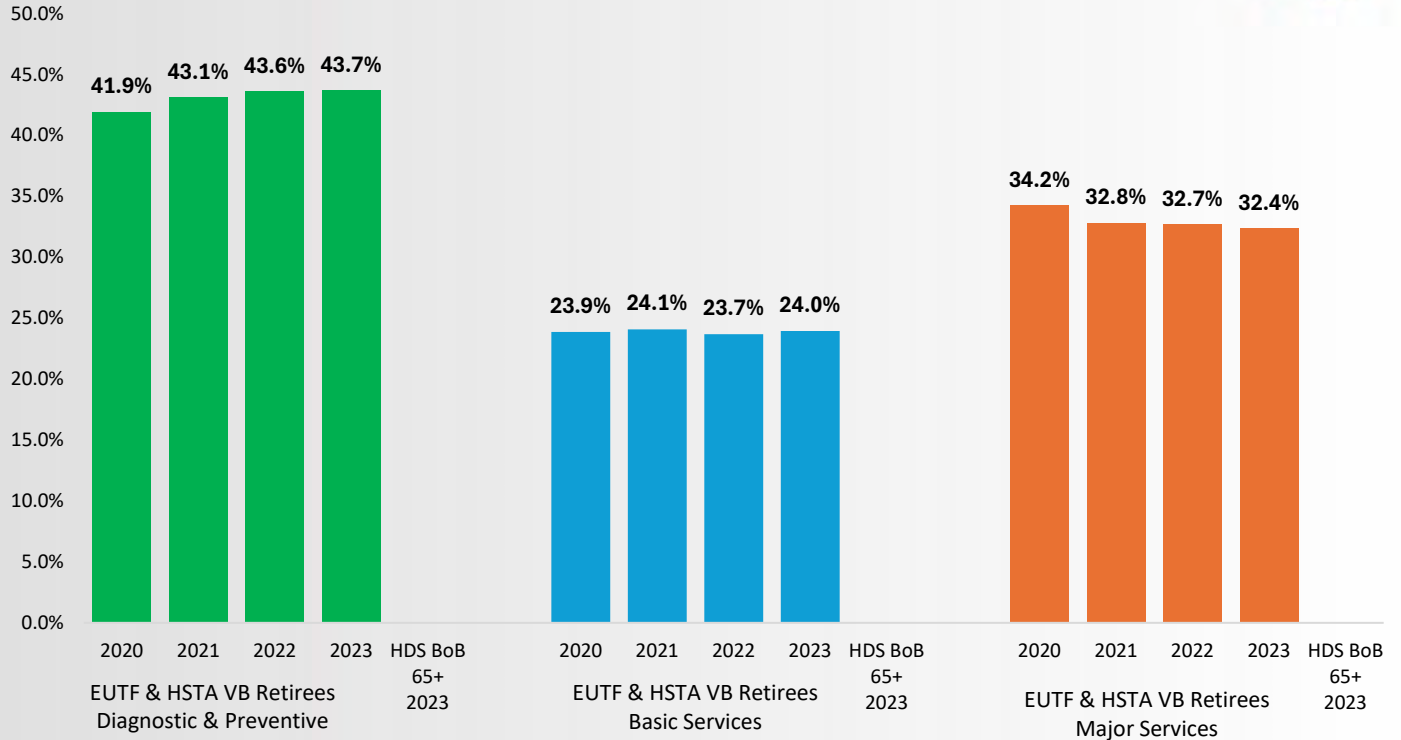




Distribution of Services: Claims Paid

HIGHLIGHTS

- D&P services make up the largest category of total EUTF Retirees' claims. This is considered "good" utilization.
- Basic care services make up the smallest category of total EUTF Retirees' claims.





Oral Exams & Cleanings

HIGHLIGHTS

- Percentages of Retirees with oral exams, dental cleanings, and *No Visits* in 2023 are consistent with those in 2022.
- With higher rates of cleanings and exams, the EUTF Retirees are doing the diagnostic and preventive work to catch issues early and avert more costly work in the long run.

	EUTF Retirees			
	2022	2023		
No Visits	23.8%	23.6%		
Oral Examinations	69.4%	70.0%		
Cleanings	67.0%	66.9%		

Based on members continuously enrolled for 12 months in the plan.



Cost of No Visits 2023

HIGHLIGHTS

- When comparing EUTF Retiree members who visited a dentist in 2023, the cost of previous *No Visit* members in the current year often increases with each additional year of no visits.
- EUTF Retiree members have lower *No Visit* rate than its peers, and the frequency of EUTF Retiree members realizing the higher cost of *No Visit* members would be less than peer groups.





HDS SMILEWell in 2023

February Holomua Newsletter – Use Your Dental Plan Wisely

May Webinar: From Tooth to Toe: How a Healthy Smile
 Can Lead to Good Total Body Health

June Webinar: Nothing But the Tooth

July Mailer: Retirees – No Visits

Time to See The Dentist Sweepstakes

985 members who qualified as compared to 887 in 2022

14 winners claimed Yeti cooler & Electric Toothbrush Oral Health Kit



HDS SMILEWell in 2024

- | | |
|----------|--|
| February | Holomua Newsletter blurb |
| June | Mailer: Semi-Annual Exams
Detailed instructions for QR code access

Webinar: A Lifetime of Healthy Smiles |
| July | Mailer: Semi-Annual Exams and Routine Care After
Major Dental Work

Sweepstakes – Time to See the Dentist |



Annual Plan Maximum

% of Members	EUTF & HSTA VB RETIREES	
	2022	2023
\$2,000 Plan Maximum		
No Visits	25.9%	25.6%
D&P Services Only*	34.6%	34.9%
Less than \$1,000	27.5%	26.8%
\$1,000 to \$1,999	8.6%	9.1%
Maximum Met \$2,000	3.4%	3.6%

Based on members who are enrolled at any point in time in the plan.

**Diagnostic & Preventive (D&P) services count toward the plan maximum.*

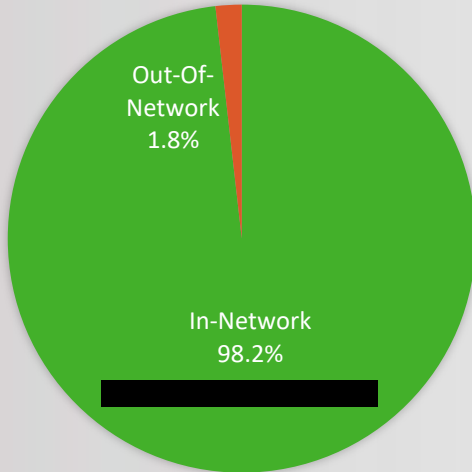
HIGHLIGHTS

- Overall, the distribution of plan maximum used over the past two years has been consistent.
- 3.6% of EUTF Retirees reached their \$2,000 plan maximum.
 - It can be assumed that all those who have met or exceed the plan maximum was due to major care service.
 - If not bound by the \$2,000 plan maximum, claims would have been ~\$1,000 over the plan maximum on average.
- The *No Visits* rate remained consistent between 2022 and 2023.
- The percent of members with D&P Services only remained consistent with prior year.
- More than 87% of EUTF Retirees had less than \$1,000 in services.



Network Utilization & Provider Discounts

Percentage of Member Visits



CATEGORY	IN-NETWORK		OUT-OF-NETWORK		TOTAL	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Plan Pays	\$32,489,289	40.2%	\$613,143	18.7%	\$33,102,432	39.3%
Patient Pays	\$24,629,445	30.4%	\$2,637,047	80.4%	\$27,266,492	32.4%
Submitted Less Provider Discount & Other Savings	\$57,118,734		\$3,250,191		\$60,368,925	
Patient Pays	\$24,629,445	43.1%	\$2,637,047	81.1%	\$27,266,492	45.2%

HIGHLIGHTS

- More than 95% of Hawaii’s practicing dentists participate with HDS. EUTF & HSTA VB Retirees also have access to thousands of dentists across the U.S. mainland through the Delta Dental network.
- Out of all the members who visited a dentist, more than 98% visited an In-Network Dentist.
-



HDS
Hawaii Dental Service



PUBLIC



Proposed Plan Changes

Effective 1/1/2025



80% Basic Services Copay Proposal

Effective 1/1/2025

		BASIC SERVICES				
CATEGORY	Total Claims Cost*	Current Plan Coinsurance	[REDACTED]	Proposed Plan Coinsurance	[REDACTED]	[REDACTED]
EUTF Retirees	\$31,354,724	60%	[REDACTED]	80%	[REDACTED]	[REDACTED]
HSTA VB Retirees	\$1,747,708	60%	[REDACTED]	80%	[REDACTED]	[REDACTED]

*Based on total claims paid through March 2024.


- EUTF & HSTA VB Retirees currently cover Basic Services at 60% and no deductible. HDS is proposing to increase the Basic Services to 80% coinsurance to align with the EUTF & HSTA VB Actives.
 - The Actives have a \$50 Annual Deductible that is applicable to Basic Services.
- Basic Services include Routine Restorations (fillings), Endodontics (root canals), Periodontics (gum surgery), Oral Surgery (extractions), and Adjunctive Services (consultations, anesthesia, etc.).
- The additional claims costs are based on the re-pricing of the EUTF & HSTA VB Retirees claims for 2023 as if the basic coinsurance is at 80% (instead of 60%). As such, it accounts for each member’s plan max availability and coordination of benefits (other coverage) at time of service.
 - [REDACTED]
 - [REDACTED]
- Most of HDS commercial plans cover Basic Care at 70% without a waiting period.



MAHALO

Memorandum

To: The Board of Trustees
 Hawaii Employer-Union Health Benefits Trust Fund

From: Troy Tomita, Kaiser Permanente 

Date: May 21, 2024

Re: 2025 Retiree Benefit Change

Urgent Care

Effective January 1, 2025, we are proposing to change the urgent care copay from \$20 to \$15 on the EUTF and HSTA VB Medicare Senior Advantage (KPSA) plan.

On November 3, 2021, we discontinued our after-hours care at our Moanalua Medical Center. After-hours care provided primary care from 5 p.m. – 10 p.m., when our clinics were closed. To allow members access to care after normal clinic hours, we opened our Urgent Care Departments at our Honolulu, West Oahu, and Maui Lani Medical Offices. Urgent care is available Monday – Friday, 8 a.m. – 8 p.m., Saturday and Sunday, 8 a.m. – 5 p.m.

Member cost share for after-hours care at Moanalua Medical Center typically followed their outpatient visit copay. However, member cost share for our Urgent Care Departments is a \$20 copay for all KPSA member across our entire book of business. We are proposing to align the urgent care copay with, primary care, and specialty care copay at \$15.

EUTF and HSTA VB KPSA	Current Coverage	Proposed Coverage
Primary Care	\$15	\$15
Specialty Care	\$15	\$15
Urgent Care	\$20	\$15

Utilization/Cost Impact

Health Plan (KPSA BOB)				
Calendar Year	Member Months (A)	Plan Cost	Claim Count (B)	Utilization/1000 (B/A/1000)
1/1/2020-12/31/2020				
1/1/2021-12/31/2021				
1/1/2022-12/31/2022				

The average cost per visit for urgent care in 2023 was \$  .



Plans Impacted

- EUTF KPSA plan effective 1/1/25
- HSTA VB KPSA plan effective 1/1/25

Residential Hospice

Effective January 1, 2025, we are proposing to add residential hospice (room and board) coverage to HSTA VB Medicare Kaiser Permanente Senior Advantage (KPSA) Plan. Currently, hospice coverage is limited to services received within a home setting.

Hospice provides care for patients who are diagnosed as terminally ill and have a life expectancy of 6 months or less. It provides medical treatment to relieve symptoms. Care is no longer to cure the illness, but to keep the patient comfortable and relieve symptoms. Hospice care is typically provided in the home setting, however sometimes care is provided in a hospice-approved center or facility. Currently, HSTA VB KPSA members will pay the entire cost for residential hospice.

We currently, contract with the following hospice providers: Bristol Hospice, Hospice Hawaii (Navian), Malama Ola Hospice, and St. Francis Hospice. All contracts provide hospice services and residential hospice room and board.

Medicare does not provide coverage for residential hospice however, we are proposing this benefit to align the HSTA VB KPSA plans with EUTF KPSA plans, and with EUTF and HSTA VB commercial plans both the active population and non-Medicare retiree populations.

HSTA VB KPSA	Current Coverage	Proposed Coverage
Home Hospice	No charge	No charge
Residential Hospice	Not covered	No charge

Utilization/Cost Impact

Health Plan (KPSA BOB)				
Calendar Year	Member Months (A)	Plan Cost	Claim Count (B)	Utilization/1000 (B/A/1000)
1/1/2020-12/31/2020				
1/1/2021-12/31/2021				
1/1/2022-12/31/2022				

The average hospice residential cost per day in 2023 was \$ [REDACTED] and the average length of stay was [REDACTED] days.

Plans Impacted

- HSTA VB KPSA Plan effective 1/1/25

Orthodontic Coverage for Orofacial Anomalies

In 2025, the Hawaii state mandate will increase the benefit maximum for the orthodontic treatment for orofacial anomalies from \$6,898 to \$6,927. We are proposing that the benefit maximum for the EUTF & HSTA VB non-Medicare retiree and active populations align with the benefit maximum for orthodontic treatment for orofacial anomalies mandated by the State. Orthodontic care is limited to members under 26 for the treatment of orofacial anomalies resulting from birth defects or birth defect syndromes.

Utilization/Cost Impact



Plans Impacted

- EUTF Non-Medicare Retiree Plan effective 1/1/25
- HSTA VB Non-Medicare Retiree Plan effective 1/1/25
- EUTF Active Plans effective 7/1/25
- HSTA VB Active Plan effective 7/1/25

Pregnancy Termination

Effective January 1, 2025, we are proposing to remove the limitation of 2 elective pregnancy termination of non-viable fetus per lifetime for EUTF & HSTA VB commercial populations, both the active population and non-Medicare retiree population.

The Hawaii region is the only region across the enterprise that applies a lifetime limit. We are proposing this change to align across regions and to align EUTF & HSTA VB with our Hawaii book of business.

Utilization/Cost Impact

EUTF		
Calendar Year	Claim Count	Plan Cost
1/1/21 – 12/31/21		
1/1/22 – 12/31/22		
1/1/23 – 12/31/23		

The average cost for pregnancy termination in 2023 was \$ [REDACTED].



Plans Impacted

- EUTF Non-Medicare Retiree Plan effective 1/1/25
- HSTA VB Non-Medicare Retiree Plan effective 1/1/25
- EUTF Active Plans effective 7/1/25
- HSTA VB Active Plan effective 7/1/25

Type of Change	Proposal	Proposed Change	Reason	Rate Impact	Effective Date(s)	Plan(s) Affected	Authorization (check one)
1	Benefit	<p>Maximum Benefit Amount for Orthodontic Services for Orofacial Anomalies</p> <p>HMSA is proposing to increase the maximum benefit amount per treatment phase of Orthodontic Services for Orofacial Anomalies to the benefit maximum set by the Department of Commerce and Consumer Affairs (DCCA), rounded up to the nearest \$10. There is no coinsurance or deductible for this benefit, but the member is responsible for all charges after the plan pays the benefit maximum.</p> <p>The <i>Orthodontic Services to Treat Orofacial Anomalies</i> heading in <u>Chapter 4: Description of Benefits</u> section in the GTB will be updated to reflect this change:</p> <p>“Covered, to treat orofacial anomalies resulting from birth defects or birth defect syndromes, in accordance with Hawaii law and HMSA’s medical policy.</p> <p>Benefit Limitation: Benefits are limited to a maximum of \$6,930 per treatment phase.</p> <p>Please note: Services must be precertified. See <i>Chapter 5: Precertification.</i>”</p>	<p>To align with requirements under Hawaii State Law</p> <p>Per the Hawaii Revised Statutes Sections 431:10A-132 (c) and 432:1-613, the insurance commissioner, on an annual basis, is tasked to update the maximum benefit amount per treatment phase for orthodontic services for treatment of orofacial anomalies, according to the healthcare Consumer Price Index. The DCCA published the final maximum benefit amount to \$6,927. The Department of Labor and Industrial Relations (DLIR) is requiring all plans to comply with this change. The updated max benefit is \$6,927, but HMSA is proposing to round up to the nearest ten dollars, \$6,930, to make it easier for members to understand the benefit.</p> <p>Although the EUTF is exempt from HRS §431 and 432, HMSA is proposing this change to align with its book of business.</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	1/1/2025	<ul style="list-style-type: none"> EUTF Medicare Retirees 90/10 PPO (563) EUTF Non-Medicare Retirees 90/10 PPO (667) HSTA VB Medicare Retirees 90/10 (668) HSTA VB Non-Medicare Retirees 90/10 (449) 	<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved
					7/1/2025	<ul style="list-style-type: none"> EUTF Actives 90/10 PPO (562) EUTF Actives 80/20 PPO (690) EUTF Actives 75/25 PPO (852) EUTF Actives HMO (XG) HSTA VB 90/10 PPO (823) HSTA VB 80/20 PPO (693) 	<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved



Memorandum

To: EUTF Benefits Committee
 Hawaii Employer-Union Health Benefits Trust Fund

From: Jenny Smith, Humana

Date: May 21, 2024

Re: 2024 Humana Medicare Advantage Plan Benefit changes

The following supplemental programs continue to apply to the Humana Medicare Advantage Plan for the 2025 plan year through the end of the contract term with a \$0 rate impact and \$0 member out-of-pocket:

- In-Home Health and Well-Being Assessment (IHWA)
- SilverSneakers®
- Go365 by Humana® and Personal Health Coaching
- Smoking Cessation
- Meal Program
- Post-Discharge In-Home Personal Care Services
- Post-Discharge Transportation Services

The following supplemental programs are new to the Humana Medicare Advantage Plan for the 2025 plan year through the end of the contract term with a \$█ rate impact per member per month and \$0 member out-of-pocket:

- Hawaii Interisland Travel

As of December 31, 2023, there were combined total of 65 retirees and dependents enrolled in the Humana Medicare Advantage plan.

Supplemental Benefits 2025:

In-Home Health and Well-Being Assessment (IHWA): national Humana benefit



2025
IHWA

This program's goal is to obtain complete documentation of the member's health, coordinate care management or social determinants of health referrals, encourage follow-up PCP appointments, and close gaps in care such as preventive screenings and testing such as A1c.

- Comprehensive 45 to 60 minute face-to-face health and wellness assessment visit with a licensed physician or nurse practitioner in member home
- Includes: in-home safety inspection and assessment of the member's ability to navigate at home, perform daily living activities, and other psychosocial/cognitive factors such as behavioral challenges, financial needs, and health concerns
- Identifies clinical gaps and supports clinical diagnoses
- Summary of the IHWA is sent to the member and their PCP, and the member is encouraged to schedule a follow-up with their PCP

SilverSneakers®: national Humana benefit



2025

SilverSneakers®

SilverSneakers® is a health and fitness program designed for senior adults that offers fun and engaging classes and activities. The program concentrates on improving strength and flexibility so daily living activities become easier. SilverSneakers® has online and in-person sessions at any pace—sit, stand, walk or run.

Go365 and Personal Health Coaching: Humana benefit specific to Group Medicare plans



2025

Go365 by Humana® and Personal Health Coaching

Go365 by Humana® is a wellness program that rewards members for completing eligible healthy activities like working out or getting their Annual Wellness Visit. Members can earn rewards to redeem for gift cards in the Go365 Mall.



Available to all Humana Group Medicare members and offered by our Go365 program, our health coaching program provides guidance to help members develop a plan of action that supports their health and well-being goals. A health coach works with the member to create a personal vision for the member's health and well-being, brings clarity to goals and priorities and provides accountability and support.

Smoking Cessation: Smoking cessation is part of Humana's health and wellness program.



2025

Smoking and Tobacco Cessation

A comprehensive tobacco and vaping cessation program through Humana's wellness program that includes: unlimited one-on-one coaching and access to additional resources. For eligible members, services also include a 3 month's supply of nicotine replacement therapy products.

Meal Program: Group Medicare Humana benefit



2025

Meal Program

After an overnight inpatient stay in a hospital or nursing facility, members are eligible to receive up to 28 nutritious meals (2 meals per day for 14 days). The meals are delivered at no additional cost to the member. Meal delivery must be scheduled within 30 days of discharge event.

Post-Discharge In-Home Personal Care Services: national Humana benefit





2025

Post-Discharge In-Home Personal Care Services

In-Home Personal Care Services for a minimum of 4 hours per day, up to a maximum of 8 hours total per discharge, for certain in-home support services following a discharge from a skilled nursing facility or from an inpatient hospitalization.

Qualified aides offer assistance with performing Activities of Daily Living (ADL) within the home and Instrumental Activities of Daily Living (IADL) related to personal care.

- ADL activities may include: bathing or showering, dressing, getting in and out of bed or chair, walking, toileting, and eating.
- IADL activities may include: preparing meals, pick up of pre-paid curbside/drive-through orders, performing light housework, laundry, dishes, and/or using a telephone. A member must be receiving assistance with a minimum of one ADL to receive assistance with any IADL.
- Personal home care services must be initiated within 30 days of discharge event and utilized within 60 days of discharge. Members contact Humana Customer Care on back of ID card to request In-Home Personal Care services.
- Administered by Humana with contracted providers.

Post-Discharge Transportation Services: national Humana benefit



2025

Post-Discharge Transportation Services

Post-discharge transportation services to plan-approved location up to 12 one-way trip(s) per facility discharge by rideshare services, car, van, wheelchair access vehicle, up to 50 miles per trip.

Hawaii Interisland Travel: Humana benefit available to residents of Hawaii only





HAWAII EUTF MEMBERSHIP COUNTS BY RESIDENTIAL ISLAND	
Residential Island	Count of EUTF membership as of 4/30/2023
HAWAII (Big Island)	5
KAUAI	6
LANAI	1
MAUI	1
OAHU	31
GRAND TOTAL	44

2025
<p style="text-align: center;"><i>Hawaii Interisland Travel</i></p> <p>Members can receive air travel reimbursement when they need to obtain specialty care from another provider when care isn't available on their home island. Eligibility is determined by access to care for members who live in rural areas and is reviewed and approved by Humana's utilization management team</p> <ul style="list-style-type: none">○ Service must be nonemergent, meaning not a life-threatening risk, or a medical emergency○ 6 round-trips for services requiring a daily course of treatment (e.g., radiation therapy, chemotherapy)○ 10 round-trip tickets per calendar year

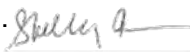
CMS' Medicare Advantage final rate notice is reviewed and added to our underwriting models. Consequently, Humana waits until we receive the final rate notice from CMS to determine whether there are any additional CMS mandated changes and determine available funding for supplemental benefit offerings on our Group Medicare plans.

Thank you,

Jenny Smith
Group Medicare Senior Account Executive – Humana

Memorandum

To: Hawaii Employer Union Health Benefits Trust Fund

From: Shelley Chun, Pharm.D. 

Date: May 7, 2024

Re: Rezdiffra Prior Authorization

Executive Summary

In order to ensure appropriate utilization and control costs, Segal recommends EUTF add prior authorization (PA) requirements for Rezdiffra, effective 7/1/24, with no grandfathering of current utilizers. Rezdiffra is a first-in-class drug used to treat a type of fatty liver disease called non-alcoholic steatohepatitis (NASH), which experts estimate affects 3.8-16.7 million Americans¹. Annual drug treatment is estimated to be over \$47,000 per patient².

Background

On March 14, 2024, Rezdiffra (resmetirom) received accelerated FDA approval (final approval is contingent on results of the on-going study) for the treatment of adults with NASH, with moderate to advanced liver fibrosis (stage F2 to F3), in conjunction with diet and exercise. Rezdiffra is the first medication approved by the FDA for the treatment of NASH (also known as "MASH" or Metabolic Dysfunction-Associated Steatohepatitis). NASH or MASH is a subtype of fatty liver disease in which liver inflammation, also known as hepatitis, and cell damage occurs. It can cause scarring (fibrosis) which can lead to cirrhosis or liver cancer. MASH is currently the second leading cause of liver transplant and is expected to become the leading cause in the future. The disease is more common in people who have certain conditions, including obesity and Type 2 diabetes.

Rezdiffra was shown to resolve NASH or reduce fibrosis more than placebo in a study funded by its manufacturer³. In May of 2023, the FDA voted against another drug, Ocaliva, for NASH, due to higher rates of adverse events and not meeting study primary endpoints. Diarrhea and nausea are the most common side effects of Rezdiffra. The Wholesale Acquisition Cost (WAC) for Rezdiffra is estimated at \$47,400 per year. As of May 1, 2024, EUTF has █ utilizers of this drug, with an average claim cost of █ per 30-day claim.

¹ <https://www.niddk.nih.gov/health-information/liver-disease/naflid-nash/definition-facts#:~:text=Only%20a%20small%20number%20of,of%20U.S.%20adults%20have%20NASH.>

² CVS email.

³ <https://www.nejm.org/doi/full/10.1056/NEJMoa2309000>

CVS Caremark has developed standard Rezdifra PA criteria for consideration, which could be implemented effective 7/1/24. The criteria include [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. Segal reviewed CVS' criteria and agreed with the clinical approach.

Recommendation

Segal recommends implementing the PA requirement on Rezdifra under the EUTF active and non-Medicare retiree plans effective 7/1/24 with no grandfathering. The [REDACTED] current utilizers should undergo PA review to determine if they meet the criteria for continuation of therapy ([REDACTED]). Alternatively, EUTF could consider grandfathering existing members for one year, however by doing so, those utilizers would be able to continue taking the drug without going through clinical review.

We look forward to discussing further and answering any of your questions about Rezdifra or the PA guidelines.

Disclaimer

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REDACTED

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

2024 Annual Analysis Report

Retirees

May 21, 2024 / Stephen Murphy

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Agenda

Analysis Methodology

Trends

Coverage Analysis

- Medical
- Pharmacy
- Dental
- Vision

Appendix

| Analysis Methodology

Analysis Methodology

The intent of this report is to provide EUTF an assessment of the competitiveness of the current retiree benefit programs

Sources used to develop this analysis included:

- Retiree benefit design prevalence data for the State of Hawaii provided by EUTF's vendor partners (i.e., HMSA, CVS, Kaiser Permanente, Humana, HDS, and VSP);
- 2024 health and welfare benefit information published by the States of California (CA), Oregon (OR), and Washington (WA) for their retired state employees; and,
- Additional published materials associated with retiree benefit program design trends



| Trends

Inflation Reduction Act Changes Timeline for Part D Plans



- \$35 Insulin cost cap
- No cost vaccines
- Manufacturers pay rebates to Medicare for drugs increasing more than inflation

- Cost share eliminated for catastrophic tier
- Low Income Subsidies expanded from 135% of Federal Poverty Level to 150%
- Base Beneficiary Premium increases capped at 6% - through 2030 *(Note: Does not impact EGWP plans like EUTF)*

- \$2,000 annual OOP Max (indexed)
- For catastrophic tier (Brand Rx):
 - Medicare share reduced to 20%
 - Plan share increased to 60%
 - Drug manufacturers introduced at 20%
- Allows members to make coinsurance installment payments over a year (i.e., Medicare Prescription Payment Plan)

Medicare negotiates drug prices

- 2026: 10 drugs
- 2027: +15
- 2028: +15
- 2029: +20

Rule that would eliminate rebates delayed until at least 2032

Based on Segal's latest 2025 modeling, EUTF's self-funded Rx plan continues to qualify as creditable coverage.

Medicare Advantage Plans

- More than half (51%) of eligible Medicare beneficiaries nationally¹ and 53% in Hawaii² were enrolled in Medicare Advantage (“MA”) Plans in 2023
- Nearly two-thirds are enrolled in Individual plans while approximately 20% participate in Employer/Union-Sponsored Plans¹
- Nationally UnitedHealthcare and Humana account for at least 75% of Medicare Advantage enrollment¹
- Studies...have largely found that Medicare Advantage plans cost the government and taxpayers more than traditional Medicare on a per beneficiary basis. In 2023, that additional cost was about 6 percent, down from a peak of 17 percent in 2009.³
- On April 1, 2024, The Biden administration followed through on its proposal to cut [2025's] base payments to Medicare Advantage plans an average of 0.16%⁴
- Expect Medicare Advantage benefit reductions, price increases, or both for 2025 and 2026.⁵

¹ Medicare Advantage in 2023: Enrollment Update and Key Trends, 8/9/2023, Kaiser Family Foundation <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2023-enrollment-update-and-key-trends/>

² Medicare Monthly Enrollment – Hawaii. Centers for Medicare & Medicaid Services Data, May 2023. <https://www.healthinsurance.org/medicare/hawaii/>

³ Medicare Advantage: A Policy Primer. 2024 Update. The Commonwealth Fund. <https://www.commonwealthfund.org/publications/explainer/2024/jan/medicare-advantage-policy-primer>

⁴ Medicare Advantage plans to see 2025 base pay fall. April 2, 2024, Axios. <https://www.axios.com/2024/04/02/medicare-advantage-insurer-pay>

⁵ Why some Medicare Advantage plans will get skimpier and costlier. February 26, 2024. Fortune. <https://fortune.com/well/article/medicare-advantage-plans-will-get-skimpier-and-costlier/>

SHAPE Data Analysis Highlights

- Prescription Drugs
 - Top three chronic conditions across HMSA and Kaiser Permanente (“KP”) include:
 - Cardiovascular/Hypertension
 - Lipid/Cholesterol Disorders
 - Diabetes
 - Diabetic Medications
 - Traditional diabetic medications like Metformin, which averages \$13 per 30-day supply, are quickly transitioning to Glucagon-Like Peptide 1 (GLP-1) agonists (e.g., Mounjaro, Ozempic, and Victoza), which average \$1,700 per 30-day supply.
 - Through the combination of their closed formulary and step therapy, KP has a diabetic medication generic dispensing rate greater than 70%. The HMSA/CVS generic dispensing rate is less than 40%.
- Emergency Room (“ER”) Utilization
 - There are five levels of ER services represented by Current Procedural Terminology (CPT) codes 99281 – 99285. The higher the number the more complex the event.
 - Approximately 90% of HMSA ER activity was concentrated in the highest severity CPT codes (i.e., 99284 and 99285).
 - Less than 70% of KP’s ER activity was concentrated in CPT codes 99284 and 99285, which may indicate potential barriers to lower intensity sites of care (e.g., limited-service hours, geographic accessibility, etc.).
- Other Services / Durable Medical Equipment (“DME”)
 - HMSA’s Medicare members experienced year-over-year increases on a Per Member Per Month basis of 33.2%, which may include fraudulent claim activity involving urinary catheters.
 - A convenience sampling of Segal state clients indicates no exposure to the urinary catheter scam.

| Coverage Analysis

HMSA Medicare

Strengths

HMSA's Medicare coordinated plan design features remain competitive with EUTF's government peers – 90.3% Actuarial Value (Exclusive of Medicare Payments)

- In-Network Medical Maximum Out-of-Pocket (“MOOP”)
 - EUTF, OR, and WA (\$2,500); CA (\$1,500)
- In-Network Inpatient Services
 - EUTF (10%); CA (No charge); OR (\$100/day up to \$300); WA (\$200/day up to \$600)

EUTF's 2024 rounded monthly premiums: Competitive with its government peers

- Single: EUTF (\$487); OR (\$274); CA (\$406); WA (\$534)

Supplemental no-cost retiree benefits typically included in Medicare Advantage plans, but lacking in EUTF's Medicare coordinated plan include:

- Fitness resources
- Weight management programs
- Provider appointment transportation
- Post-discharge meals



HMSA is exploring partnerships and pricing associated with fitness resources and weight management programs. Transportation and post-discharge meals are not available.

Considerations

HMSA Non-Medicare

Strengths

HMSA's Non-Medicare plan design features remain competitive with EUTF's government peers – 90.3% Actuarial Value

- In-Network Medical Maximum Out-of-Pocket (“MOOP”)
 - EUTF (\$2,500); WA (\$2,000); CA (\$3,000), OR (\$7,350)

EUTF's 2024 rounded monthly premiums: Competitive with its government peers

- Single: EUTF (\$826); WA (\$832); CA (\$1,216); OR (\$1,373)
- Family: EUTF (\$2,386); WA (\$2,277); CA (\$3,161) WA (\$3,162)

Benefits typically included in Active and Early Retiree plans but lacking in EUTF's Non-Medicare Retiree plan include:

- Fitness resources
- Weight management programs



HMSA is exploring potential partnerships and costs associated with these program features

Considerations

CVS Prescription Drugs

Strengths

EUTF's Rx plan design is more generous than its government peers

- Brand copay
 - Medicare (30-day supply)
 - Preferred Brand: EUTF and OR (\$15); CA (\$20); WA (\$25)
 - Non-Preferred Brand: EUTF (\$30); CA (\$50); WA (\$75); OR (40% up to \$250)
 - Non-Medicare (30-day supply)
 - Preferred Brand: EUTF (\$15); CA (\$20); WA (\$25); OR (40%)
 - Non-Preferred Brand: EUTF (\$30); CA (\$50); WA (\$75); OR (40%)
- Inflation Reduction Act (IRA)
 - Based on the value of EUTF's retiree Rx plan, mandatory IRA changes will have a nominal impact on 2025 Rx costs

Prospective Non-Medicare changes (effective 1/1/2026) that are consistent with EUTF's state peers include:

- Adopting CVS' Basic Control Formulary
 - \$2.9M in annual savings
 - 2.3% in anticipated member disruption
- Introducing Hyperinflation Management to proactively reduce wasteful spending (e.g., new-to-market, outliers, etc.)
 - \$128,000 in savings
 - 1.9% in anticipated member disruption

Considerations

Kaiser Permanente Senior Advantage HMO

Strengths

Kaiser Permanente's ("KP") Senior Advantage ("KPSA") HMO plan design features remain competitive with EUTF's government peers – 93.8% Actuarial Value

- Medical Maximum Out-of-Pocket ("MOOP")
 - EUTF (\$2,000); WA (\$2,500); CA (\$1,500); OR (\$1,000)
- Inpatient Services
 - EUTF and CA (No charge); OR (\$200/admit); WA (\$200/day up to \$1,000)

EUTF's 2024 rounded monthly premiums: Remain higher than its peers, partly due CMS' lower average subsidies for HI, relative to CA, OR, and WA

- EUTF (\$463); WA (\$189); OR (\$274); CA (\$325)

No suggested changes

- KPSA plan includes supplemental benefits typically associated with Medicare Advantage plans

Considerations

Kaiser Permanente Non-Medicare HMO

Strengths

Kaiser Permanente's Non-Medicare HMO plan design features remain competitive with EUTF's government peers – 96.9% Actuarial Value

- Medical Maximum Out-of-Pocket (“MOOP”)
 - EUTF, OR and WA (\$2,000); CA (\$1,500)
- Inpatient Services
 - EUTF and CA (No charge); WA (\$175/day up to \$750); OR (\$200/day up to \$1,000)

EUTF's 2024 rounded monthly premiums: Less than its government peers

- Single: EUTF (\$763); WA (\$934); CA (\$964); OR (\$1,055)
- Family: EUTF (\$2,274); OR (\$2,427); CA (\$2,507) WA (\$2,557)

No suggested changes

- Kaiser Permanente's Non-Medicare HMO plan continues to deliver high value to EUTF and members

Considerations

Humana Medicare Advantage PPO

Strengths

Humana's Medicare Advantage PPO ("MA PPO") remains competitive with EUTF's geographic and government peers – 95.1% Actuarial Value

- Medical Maximum Out-of-Pocket ("MOOP")
 - EUTF and OR (\$2,500); WA (\$2,000); CA (\$1,500)
- 2024 rounded monthly premiums (Medical and Rx Combined)
 - EUTF (\$287); WA (\$136); OR (\$274); CA (\$366)
 - Humana offers a zero premium MA PPO in Hawaii, but the annual Medical MOOP is \$5,950

The 2025 no-cost supplemental benefits associated with Humana's contract are summarized on the following page for action by EUTF's Board of Trustees

Considerations

Humana Medicare Advantage PPO

- No-cost supplemental benefits include:
 - In-Home Health and Well-Being Assessment (IHWA)
 - SilverSneakers®
 - Go365 by Humana® and Personal Health Coaching
 - Smoking Cessation
 - Meal Program
 - Post-Discharge In-Home Personal Care Services
 - Post-Discharge Transportation Services

Dental Coverage

Strengths

EUTF's PPO dental design and premiums are competitive with its geographic and government peers

- Your \$2,000 annual maximum benefit is equal to or exceeds your government peers
- Individual dental coverage through HDS includes waiting periods of three (3) months for Basic services and 12 months for Major services
- 2024 rounded monthly premiums
 - EUTF (\$44); WA (\$49); CA (\$51); OR (\$67)

EUTF's reimbursement of Major services (60%) exceeds the industry standard of 50%

- EUTF's reimbursement of Basic services (60%) trails the industry standard of 80%
 - HDS estimates the additional cost to reimburse Basic services at 80% would be an increase of [REDACTED] or [REDACTED] annually
- Some EUTF peers do not apply Diagnostic and Preventive ("D&P") services towards the Annual Maximum Benefit ("AMB")
 - HDS estimates the impact of waiving D&P services from accumulating towards the AMB at [REDACTED] or [REDACTED]

Considerations

Vision Coverage

Strengths

EUTF's retiree vision coverage is comparable to its geographic and government peers with respect to copays, frame allowance, and discounts on supplemental materials

EUTF's 2024 monthly premium rates remain competitive with its peers

- Single: EUTF (\$3.54); CA (\$5.82); VSP Direct (\$11.73)
- Family: EUTF (\$9.52); CA (\$12.03); VSP Direct (\$30.51)

CA provides coverage through VSP, while OR and WA provide coverage through medical plan riders

EUTF's frame allowance was increased to \$150 effective 1/1/2021. Since then, VSP reports EUTF member's average out-of-pocket costs for frames have increased from \$41 to \$67 per pair

- VSP estimates the impact of increasing the frame allowance to \$180 at [REDACTED] or [REDACTED] annually

Considerations

Appendix



State of Hawaii
2024 Benchmarking

HMSA - Medicare Retirees PPO

Benefits and rates as provided by HMSA.

Medical Benefits - Retirees	EUTF Members 90/10 PPO Plan In-Network	HSTA VB Members 90/10 PPO Plan In-Network	HMSA Hawaii Book of Business Akamai Advantage Complete Plus (PPO) In-Network	State of CA Anthem Medicare Preferred PPO In-Network	State of OR UHC Medicare Advantage PPO In-Network	State of WA Uniform Medical Plan Classic In-Network
Calendar Year Deductible	\$100/3x per family	None		None	None	\$250 (Medical) \$100 (Rx)/3x per family
Calendar Year Maximum Out-of-Pocket Limit	\$2,500/3x per family	\$2,000/3x per family		\$1,500/person	\$2,500 (Medical) \$5,000 (Rx)/person	\$2,500 (Medical) \$2,000 (Rx)/2x per family
Lifetime Benefit Maximum	None	\$2,000,000 for all individuals combined (\$25,000 per year Amount exceeding the following maximums per calendar year		None	None	None
Physical Exam	No charge (Preventive Screenings 20%)	Ages 7-12: \$90; Ages 13-18: \$115; Ages 19-39: \$180; Ages 40+: \$245 (Preventive Screenings 10%)		No charge	No charge	No charge
Physician Office Visit	10%	10%		\$10	\$15	15%
Urgent Care Visit	10%	10%		\$25	\$20	15%
Ambulance	20%	10%		No charge	\$50	20%
Emergency Room	10%	10%		\$50	\$65	\$75 plus 15%
Inpatient Hospital Services	10%	10%		No charge	\$100/day up to \$300/admit	\$200/day up to \$600 per admission
Skilled Nursing Facility	10%	10%		No charge/day up to 100	No charge/day up to 100	\$200/day up to \$600/admit
Inpatient Hospital Mental Health	10%	10%		No charge	\$100/day up to \$300/admit	\$200/day up to \$600/admit
Outpatient Mental Health	10%	10%		\$10	\$15	15%
Outpatient Surgery	10%	10%		No charge	\$125	15%
Outpatient Injections	20%	10%		20%	10%	15%
Outpatient Testing, Lab, and X-ray Services	20%	10%		No charge	10%	15%
Outpatient Physical Therapy	20%	10%		\$10	\$20	15%
Home Health Care	No charge	No charge		No charge	Not reported	15%
Chiropractic Services	Not covered	\$12 (20 visits per CY)		\$10 (Medicare covered services)	\$20 (12 visits per CY)	\$15 (24 visits per CY)
Durable Medical Equipment	20%	10%		10%	20%	15%
Hearing Aids	20% (One per ear every 60 months)	10% (One per ear every 60 months)		\$1,000 every 36 months	\$2,400 per year	\$3,000 per ear every 36 months
Fitness Center Program	Not covered	Not covered		No charge (SilverSneakers)	Not reported	Not reported
Weight Management Program	Not covered	Not covered		No charge (Requires PCP coordination)	Not reported	Not reported
Digital Diabetes Prevention Program	Not covered	Not covered		No charge (Medicare DPP)	Not reported	Not reported
Rx Benefits - Retirees						
Days Supply	30/60/90	30/60/90		30/31-90	31	30/60/90
Generic	\$5/\$10/\$10	\$3/\$9/\$9		\$5/\$10	\$8	\$10/\$20/\$30
Preferred Brand	\$15/\$30/\$30	\$9/\$27/\$27		\$20/\$40	\$15	\$25/\$50/\$75
Non-Preferred Brand	\$30/\$60/\$60	\$9/\$27/\$27		\$50/\$100	40% up to \$250	\$75/\$150/\$225
Insulin	\$5/\$10/\$10	\$3/\$9/\$9		Not to exceed \$35	Not to exceed \$35	\$10/\$20/\$30 after Rx ded.
Other Insulin	\$5/\$10/\$10	\$3/\$9/\$9		Not to exceed \$35	Not to exceed \$35	\$10/\$20/\$30 after Rx ded.
Diabetic Supplies	No charge	No charge		Up to \$10 copay	Not reported	15%
Other Diabetic Supplies	No charge	No charge		Up to \$10 copay	Not reported	15%
Specialty Drugs/Injectables	20% up to \$250/script and \$2,000 per CY (\$30 oral oncology)	\$9/\$27/\$27		\$50/\$100	40% up to \$250	\$75/\$150/\$225
2024 Monthly Premium	(Medical & Rx Combined)	(Medical & Rx Combined)		(Medical & Rx Combined)	(Medical & Rx Combined)	(Medical & Rx Combined)
Self	\$486.86	\$537.70		\$405.83	\$273.57	\$532.94

**State of Hawaii
2024 Benchmarking**

HMSA - Non-Medicare Retirees PPO
Benefits and rates as provided by HMSA.

Medical Benefits - Retirees	EUTF Members 90/10 PPO Plan In-Network	HSTA VB Members 90/10 PPO Plan In-Network	HMSA Hawaii Book of Business CC753 In Network	State of CA CalPERS Platinum PPO In-Network	State of OR UHC Core Value Plan In-Network	State of WA Uniform Medical Plan Classic In-Network
Calendar Year Deductible	\$100/3x per family	None		\$500/2x per family	\$1,000/2x per family	\$250 (Medical) \$100 (Rx)/3x per family
Calendar Year Maximum Out-of-Pocket Limit	\$2,500/3x per family	\$2,000/3x per family		\$3,000/2x per family	\$7,350/2x per family (Medical and Rx Combined)	\$2,000 (Medical) \$2,000 (Rx)/3x per family
Lifetime Benefit Maximum	None	\$2,000,000 for all individuals combined (\$25,000 per year thereafter)		None	None	None
Physical Exam	No charge (Preventive Screenings 20%)	Amount exceeding the following maximums per calendar year Ages 7-12: \$90; Ages 13-18: \$115; Ages 19-39: \$180; Ages 40+: \$245 (Preventive Screenings 10%)		No charge	No charge	No charge
Physician Office Visit	10%	10%		\$20	\$20	15%
Urgent Care Visit	10%	10%		\$35	\$20	15%
Ambulance	20%	10%		10%	20%	20%
Emergency Room	10%	10%		\$50 plus 10%	\$200 then 20% (No deductible)	\$75 plus 15%
Inpatient Hospital Services	10%	10%		\$250/admission plus 10%	20%	\$200/day up to \$600/CY
Skilled Nursing Facility	10%	10%		10% (First 10 days); 20% (Next 170 days)	20%	\$200/day up to \$600/CY
Inpatient Hospital Mental Health	10%	10%		\$250/admission plus 10%	20%	\$200/day up to \$600/CY
Outpatient Mental Health	10%	10%		\$20	20%	15%
Outpatient Surgery	10%	10%		10%	20%	15%
Outpatient Injections	20%	10%		10%	20%	15%
Outpatient Testing, Lab, and X-ray Services	20%	10%		10%	20%	15%
Outpatient Physical Therapy	20%;	10%		10%	\$20	Up to 60 visits per year
Home Health Care	No charge	No charge		10%	Not reported	Not reported
Chiropractic Services	Not covered	\$12 (20 visits per CY)		\$15 (20 visits per CY)	\$30 (20 visits per CY)	\$15 (24 visits per CY)
Durable Medical Equipment	20%	10%		10%	20%	15%
Hearing Aids	20% (One per ear every 60 months)	10% (One per ear every 60 months)		10%	Not reported	\$3,000 per ear every 36 months
Fitness Center Program	Not covered	Not covered		Not reported	Not reported	Not reported
Weight Management Program	Not covered	Not covered		Not reported	Not reported	Not covered
Digital Diabetes Prevention Program	Not covered	Not covered		Not reported	Not reported	Not reported
Rx Benefits - Retirees						
Days Supply	30/60/90	30/60/90		30/31-90	30	30/60/90
Generic	\$5/\$10/\$15	\$5/\$9/\$9		\$5/\$10	40%	\$10/\$20/\$30
Preferred Brand	\$15/\$30/\$45	\$15/\$27/\$27		\$20/\$40	40%	\$25/\$50/\$75
Non-Preferred Brand	\$30/\$60/\$90	\$15/\$27/\$27		\$50/\$100	40%	\$75/\$150/\$225
Insulin	\$5/\$10/\$15	\$5/\$9/\$9		20% up to \$35	Not Reported	\$10/\$20/\$30 after Rx deductible
Other Insulin	\$15/\$30/\$45	\$5/\$9/\$9		20% up to \$35	Not Reported	\$10/\$20/\$30 after Rx deductible
Diabetic Supplies	No charge	No charge		Up to \$10 copay	Not Reported	15%
Other Diabetic Supplies	\$15/\$30/\$45	No charge		Up to \$10 copay	Not Reported	15%
Specialty Drugs/Injectables	20% up to \$250/script and \$2,000 per CY	\$15/\$27/\$27		\$50/\$100	40%	\$75/\$150/\$225
2024 Monthly Premium						
	(Medical & Rx Combined)	(Medical & Rx Combined)		(Medical & Rx Combined)	(Medical & Rx Combined)	(Medical & Rx Combined)
Self	\$826.20	\$791.98		\$1,215.87	\$1,373.08	\$831.68
Two-Party	\$1,609.64	\$1,543.00		\$2,431.74	\$2,746.16	\$1,657.40
Family	\$2,386.33	\$2,285.82		\$3,161.26	\$3,162.21	\$2,276.69

**State of Hawaii
2024 Benchmarking**

Kaiser - Medicare Retirees HMO
Benefits and rates as provided by Kaiser.

Medical Benefits - Retirees	EUTF Members		HSTA VB Members		KP Hawaii Book of Business		State of CA		State of OR		State of WA	
Calendar Year Deductible	None		None				None		None		None	
Calendar Year Maximum Out-of-Pocket Limit	\$2,000/3x per family		\$2,000/3x per family				\$1,500 (Medical); \$7,400 (Rx)/per		\$1,000 (Medical); \$5,000 (Rx)/per		\$2,500 (Medical)/per person	
Lifetime Benefit Maximum	None		None				None		None		None	
Physical Exam	No charge		No charge				No charge		No charge		No charge	
Physician Office Visit	\$15		\$15				\$10		\$15		\$15 PCP; \$30 Specialist	
Urgent Care Visit	\$20		\$20				\$10		\$15		\$15 PCP; \$30 Specialist	
Ambulance	20%		20%				No charge		\$50		\$150	
Emergency Room	\$50		\$50				\$50		\$50		\$65	
Inpatient Hospital Services	No charge		No charge				No charge		\$200/admit		\$200/day up to \$1,000/admit	
Skilled Nursing Facility	No charge		No charge				No charge		No charge		No charge	
Inpatient Hospital Mental Health	No charge		No charge				No charge		\$200/admit		\$200/day up to \$1,000/admit	
Outpatient Mental Health	\$15		\$15				\$10		\$15		\$15	
Outpatient Surgery	\$15		\$15				\$10		\$15		Not reported	
Outpatient Injections	No charge		No charge				No charge		No charge		No charge	
Outpatient Testing, Lab, and X-ray Services	No charge		No charge				No charge		No charge		No charge	
Outpatient Physical Therapy	\$15		\$15				\$10		No charge		\$30	
Home Health Care	No charge		No charge				No charge		Not reported		Not reported	
Chiropractic Services (administered through American Specialty Health, Inc.)	\$15 (Medicare covered services)		\$12 up to 20 visits per CY				\$15 up to 20 visits per CY		\$15 (Medicare covered services)		\$15 (24 visits per CY, Medicare covered services)	
Durable Medical Equipment	20%		20%				No charge		20%		Not reported	
Hearing Aids	20% (One aid per ear every 36 months)		20% (One aid per ear every 36 months)				\$1,000 allowance every 36 months		\$400 allowance per ear per CY		\$1,400 allowance per ear every 36 months	
Fitness Center Program	Silver&Fit		Silver&Fit				Silver&Fit		Silver&Fit		Silver&Fit	
Weight Management Program	Medicare Diabetes Prevention Program		Medicare Diabetes Prevention Program				Medicare Diabetes Prevention Program		Not reported		Not reported	
Digital Diabetes Prevention Program	Medicare Diabetes Prevention Program		Medicare Diabetes Prevention Program				Medicare Diabetes Prevention Program		Not reported		Not reported	
Rx Benefits - Retirees	KP Pharmacy	KP Mail Order	KP Pharmacy	KP Mail Order	KP Pharmacy	KP Mail Order	KP Pharmacy	KP Mail Order	KP Pharmacy	KP Mail Order	KP Pharmacy	KP Mail Order
Days Supply	30/60/90	30/60/90	30/60/90	30/60/90			30/60/90	30/60/90	30		30/60/90	30/60/90
Generic	\$15/\$30/\$45	\$15/\$30/\$30	\$10/\$20/\$30	\$10/\$20/\$20			\$5/\$20/\$20	\$10/\$40/\$60	\$8/\$15/\$250	Not reported	\$20/\$40/\$250	\$40/\$80/\$750
Preferred Brand												
Non-Preferred Brand												
Insulin												
Other Insulin	\$15/\$30/\$45	Not covered	\$10/\$20/\$30	Not covered			\$10/\$20/\$30	Not covered	Not reported	Not reported	Not to exceed \$35 for a 30-day supply	
Diabetic Supplies	Lancets, strips, and meters: 20%	Lancets, strips, and meters: 20%	20%	20%			No charge		Not reported	Not reported	0.2	0.2
Other Diabetic Supplies	Syringes/needles: \$15/\$30/\$45	Syringes/needles: \$15/\$30/\$30										
Specialty Drugs/Injectables	\$15 (up to a 30-day supply)		\$10 (up to a 30-day supply)				\$20 (30-day supply)		\$250		\$250	
2024 Monthly Premium	(Medical & Rx Combined)		(Medical & Rx Combined)				(Medical & Rx Combined)		(Medical & Rx Combined)		(Medical and Rx Combined)	
Self	\$462.50		\$470.00				\$324.79		\$273.55		\$188.62	

**State of Hawaii
2024 Benchmarking**

Humana - Medicare Retirees PPO
Benefits and rates as provided by Humana.

Medical Benefits - Retirees	EUTF Members MA PPO Plan In-Network	Humana's Hawaii Book of Business HumanaChoice H5216-233 (PPO) In-Network	State of CA UHC MA PPO Plan In-Network	State of OR UHC MA PPO Plan In-Network	State of WA UHC MA PPO Plan In-Network
Calendar Year Deductible	\$100/person		\$0	\$0	\$0
Calendar Year Maximum Out-of-Pocket Limit	\$2,500/person (Medical Only) \$2,000/person (SRX Only)		\$1,500/person (Medical Only)	\$2,500/person (Medical Only); \$5,000/person (Rx Only)	\$2,000/person (Medical Only); \$2,000/person (Rx Only)
Lifetime Benefit Maximum	None		None	None	None
Physical Exam	No charge		\$0	\$0	\$0
Physician Office Visit	10%		\$10/\$10 (PCP/Specialist)	\$15/\$20 (PCP/Specialist)	\$15/\$30 (PCP/Specialist)
Urgent Care Visit	10%		\$25	\$20	\$15
Ambulance	10%		No charge	\$50	\$100
Emergency Room	10%		\$50	\$65	\$65
Inpatient Hospital Services	10%		\$0	\$100 per day/\$300 max.	\$500 per confinement
Skilled Nursing Facility	Days 1-20: No charge; Days 21-120 10%		Days 1-100 / No charge	Days 1-100 / No charge	No charge
Inpatient Hospital Mental Health	10%		\$0	\$100 per day / \$300 max.	\$500 per confinement
Outpatient Mental Health	10%		\$10	\$15	\$30
Outpatient Surgery	10%		No charge	\$125	\$250
Outpatient Injections	10%		\$10/\$10 (PCP/Specialist)	\$15/\$20 (PCP/Specialist)	\$15/\$30 (PCP/Specialist)
Outpatient Testing, Lab, and X-ray Services	10%		\$0	10%	\$15
Outpatient Physical Therapy	10%		\$10	\$20	\$15
Home Health Care	No charge		No charge	Not reported	No charge
Chiropractic Services	10% (Medicare covered)		\$15 (Medicare covered)	\$20 (Medicare covered)	\$15 (24 visits/year)
Durable Medical Equipment	10%		No charge	20%	\$20
Hearing Aids	20%; 1/ear every five years		\$1,000/every 3 years	\$2,400/year	\$2,500/every 3 years
Fitness Center Program	SilverSneakers		Renew Active	Renew Active	Renew Active
Weight Management Program	Not reported		No charge	No charge	No charge
Digital Diabetes Prevention Program	No charge		No charge	No charge	No charge
Rx Benefits - Retirees					
Days Supply	30/90		30/90	30/90	30/90
Generic	\$5/\$10		\$5/\$10	\$8/\$15	\$5/\$10
Preferred Brand	\$15/\$30		\$20/\$40	40% up to \$250/script / 31-day supply	\$45/\$90
Non-Preferred Brand	\$30/\$60		\$50/\$100	40% up to \$250/script / 31-day supply	\$100/\$200
Insulin	\$5/\$10		Not to exceed \$35 for a one month supply	Not to exceed \$35 for one month supply	\$10/\$30
Other Insulin	\$5/\$10				Not to exceed \$35 for one month supply
Diabetic Supplies	No charge				
Other Diabetic Supplies	No charge				
Specialty Drugs/Injectables	30 day supply; 20% up to \$250/fill				30 day supply; \$100/fill
2024 Monthly Premium					
Self	Medical & Rx Combined \$287.22		Medical & Rx Combined \$366.01	Medical & Rx Combined \$273.57	Medical & Rx Combined \$135.65

**State of Hawaii
2024 Benchmarking**

HDS - Retirees

Benefits and rates as provided by HDS.

Dental Benefits - Retirees	HDS					
	EUTF & HSTA VB Members In-Network	HDS State of Hawaii Book of Business Union Plans In-Network	State of CA Delta Dental PPO plus Premier Basic Plan (In-Network)	State of OR Delta Dental Premier PPO (In-Network)	State of WA Delta Dental PPO (In-Network)	HDS Deluxe (Individual/Adult)
Annual Maximum Benefit	\$2,000		\$2,000	\$1,750	\$1,750	
Waived for Diagnostic & Preventive Services	No		No	Yes	No	
Annual Deductible Per Person	None		\$25/4x family	\$25/person	\$50/3x family	
Waived for Diagnostic & Preventive, and Orthodontic Services	N/A		Yes	Yes	Yes	
Diagnostic Services	No charge		No charge	No charge	No charge	
Examinations	2x per CY		2x per CY	2x per CY	2x per CY	
X-rays						
Bitewing	2x per CY through age 14; 1x per CY thereafter				2x per CY	
Full mouth	1x every 5 years				1x every 5 years	
Preventive Services	No charge		No charge	No charge	No charge	
Cleanings	2x per CY				2x per CY	
Fluoride	2 per CY through age 19					
Space maintainers	Through age 17					
Sealants	Through age 18					
HDS Total Health Plus*	Covered					
Basic Services	40%		20%	20%	20%	
Fillings	White colored fillings limited to front teeth					
Major Services	40%		50%	50%	50%	
Crowns	Once every 5 years (White crowns limited to front teeth and bicuspids)		20%			
Fixed bridges and dentures	One time every five years (age 16 and older)		40%			
Implants	One per tooth every five years		50%			
Other Services			Not reported	Not reported	Not reported	
Emergency treatment of dental pain	No charge					
Adjunctive general services	40%					
Athletic mouth guards	Not covered					
Orthodontics	Not covered		50%	Not covered	50%	
Lifetime maximum benefit	N/A		\$1,000/\$1,500	N/A	\$1,750	
Eligible	N/A		Adult/Child	N/A	Adult/Child	
2024 Monthly Premium	EUTF / HSTA VB					
Self	\$43.78 / \$51.80		\$50.83	\$67.45	\$48.92	
Two-Party	\$85.38 / \$101.02		\$88.75	\$134.90	\$97.84	
Family	\$104.62 / \$123.82		\$128.28	\$162.24	\$146.76	

* HDS Total Health Plus provides a supplemental set of benefits designed to prevent oral disease and tooth decay that accompanies certain medical conditions or diseases.

** SmileWay® Wellness Benefits similar to HDS Total Health Plus. SmileWay® Wellness Benefits requires separate member opt-in to receive benefits.

*** Dental premiums represent approximately 90% of the State of Alaska's Dental Vision Audio ("DVA") benefit costs.

**State of Hawaii
2024 Benchmarking**

VSP - Retirees

Benefits and rates as provided by VSP.

Vision Benefits - Retirees	EUTF & HSTA VB Members VSP SIGNATURE In Network	State of CA Basic Plan In Network	State of OR Medicare	State of OR Non-Medicare	State of WA Medicare	State of WA Non-Medicare	VSP Individual Standard In Network
Exam							
Frequency (Months)	12	12	12	12	12	12	
Exam copay	\$10	\$10	\$15 - \$20	\$30	\$0 - \$25	\$15 - \$30	
Routine retinal screening	Up to \$39	Up to \$39	Not reported	Not reported	Not reported	Not reported	
Frame							
Frequency (Months)	24	12	24	24	24	24	
Allowance	\$150 (\$170 for featured frames) 20% savings on amount over allowance	\$150 (\$170 for featured frames) 20% savings on amount over allowance	\$200	\$100	\$150 - \$300	\$150 - \$300	
Lenses							
Frequency (Months)	12	12	Not reported	Not reported	Not reported	Not reported	
Copay	\$25	\$25	Not reported	Not reported	Not reported	Not reported	
Single vision	Included	Included	Not reported	Not reported	Not reported	Not reported	
Lined bifocal	Included	Included	Not reported	Not reported	Not reported	Not reported	
Lined trifocal	Included	Included	Not reported	Not reported	Not reported	Not reported	
Standard progressives	Included	\$55	Not reported	Not reported	Not reported	Not reported	
Lens Enhancements							
UV protection	\$0	\$0	Not reported	Not reported	Not reported	Not reported	
Impact resistant lenses	\$0 (Up to 18 years of age)	\$35	Not reported	Not reported	Not reported	Not reported	
Premium progressive lenses	\$80-\$90	\$95-\$105	Not reported	Not reported	Not reported	Not reported	
Custom progressive lenses	\$120-\$160	\$150-\$175	Not reported	Not reported	Not reported	Not reported	
Discount on other lenses enhancements	Average 40%	Average 20-25%	Not reported	Not reported	Not reported	Not reported	
Contacts (In Lieu of Glasses)							
Frequency (Months)	12	12	Not reported	Not reported	Not reported	Not reported	
Copay (Fitting and Evaluation Exam)	Up to \$60	No charge	Not reported	Not reported	Not reported	Not reported	
Allowance	\$130	\$110	Not reported	Not reported	Not reported	Not reported	
Discounts							
Additional glasses and sunglasses	30% discount	20% discount	Not reported	Not reported	Not reported	Not reported	
Laser vision correction	Average 15% off regular price or 5% off promotional price	Average 15% off regular price or 5% off promotional price	Not reported	Not reported	Not reported	Not reported	
Essential Medical Eyecare	\$20 copay		Not reported	Not reported	Not reported	Not reported	
2024 Monthly Premium							
Self	\$3.54	\$5.82					
Two-Party	\$7.10	\$11.18					
Family	\$9.52	\$12.03					

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

Semi-Annual Utilization Report Retiree Plans

Current Period: January 1, 2023 – December 31, 2023
Prior Period: January 1, 2022 – December 31, 2022

May 21, 2024

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| Agenda

Key Observations & Suggestions

Section 1: Pharmacy and Emergency Room Trends

Section 2: Key Healthcare Performance Metrics and Trends

Section 3: Prescription Utilization and Clinical Quality Performance

Key Observations & Suggestions

The Segal Health Analysis of Plan Experience (SHAPE) data mining platform integrates demographic and utilization information provided by HMSA/CVS and Kaiser to monitor trends and identify anomalies, associated with EUTF's cost drivers.

This report focuses on utilization for Non-Medicare (NMD) and Medicare (MD) retirees during the period 1/1/2022 – 12/31/2023. Note that the Kaiser population is less than 20% of the total retiree population; there will be more volatility within these groups.

Key Observations

- **PMPM medical cost increases (<5%) were favorable for Non-Medicare Retirees due to a decrease in inpatient severity. HMSA Medicare medical costs increased due to higher inpatient severity.**
 - Hospital inpatient costs are drivers for large claimant activity; cancers, circulatory conditions, and infectious disease are among the most prevalent inpatient and ultimately large claimant cost drivers. This category is generally the highest of all medical costs.
 - Drugs within the medical plan and emergency room utilization were drivers for pmpm percentage cost increases over the prior period.
- **Pharmacy costs were the main driver of PMPM cost increases for HMSA members; driven more by drug cost than utilization. There was a shift to more brand drug utilization and more specialty use in the Medicare retiree population.**
 - Cancer treatment is the most prevalent among medications within the medical plan. These and other injectable / infused medications were the main drivers for increases in pharmacy spend.
 - Diabetic patients in the non-Medicare HMSA/CVS population are using more GLP-1 medications than the prior year and more than Kaiser. The proportion of diabetic prescriptions that are GLP-1 increased nearly 7 percentage points over 2022.
 - The cost of GLP-1s (nearly \$1,700/Rx) while moderating is still nearly double the average diabetic prescription and far more than first-line generic medications (e.g. Metformin at \$13/Rx).

Key Observations & Suggestions

Suggestions

- Ensure HMSA/CVS and Kaiser are proactively managing specialty drug utilization.
- Monitor HMSA/CVS GLP-1 utilization for adherence to prior authorizations and consistency with Virta engagement guidelines.
- Encourage members to consider alternative sites of care (i.e., Primary Care Physician, Telehealth, Urgent Care) in lieu of emergency rooms, when appropriate.

Section 1: Pharmacy and Emergency Room Trends

Top Prescription Drugs: Non-Medicare Retirees

Top 10 Indications	HMSA/CVS Rank	Kaiser Rank	HMSA/CVS		Kaiser		Scripts per 1,000	
			Total Scripts ¹	Generic Dispensing Rate	Total Scripts ¹	Generic Dispensing Rate	HMSA/CVS	Kaiser
Cardiovascular/Hypertension	1	1	24,160	99.8%	4,582	100.0%	2,368	2,002
Lipid/Cholesterol Disorders	2	3	14,596	95.9%	2,462	100.0%	1,431	1,076
Diabetes	3	2	13,282	36.6%	2,752	72.4%	1,302	1,202
Anti-Infectives	4	4	8,582	99.1%	1,589	100.0%	841	694
Pain Management	5	5	7,569	97.6%	1,140	100.0%	742	498
Asthma/COPD	6	6	5,592	72.4%	1,020	75.3%	548	446
Skin Disorders	7	8	4,149	84.6%	676	89.8%	407	295
Depression	8	7	3,495	97.5%	797	99.9%	343	348
Ulcer	9	24	3,399	99.6%	152	100.0%	333	66
Rhinitis / Decongestants	10	45	2,551	97.5%	47	100.0%	250	21
Total Top 10			87,375	86.6%	15,217	92.9%	8,565	6,648
Proportion that are Specialty Drugs			2.9%		N/A			

- Rankings are by highest by prescription counts. Comparisons are utilization rates for a consistent metric.
- Kaiser generic proportions are greater for each category and overall. Kaiser plans generally utilize their own pharmacy and focus on generic utilization to the extent possible.
- Diabetes medications are consistently trending toward brand drugs; especially for GLP-1 over traditional anti-diabetic options. This is even more prevalent in the HMSA/CVS population.

¹ Both 30-day and 90-day dispensed drugs are counted as one (1) script.

Top Prescription Drugs: Medicare Retirees

Top 10 Indications	HMSA/CVS Rank	Kaiser Rank	HMSA/CVS		Kaiser		Scripts per 1,000	
			Total Scripts ¹	Generic Dispensing Rate	Total Scripts ¹	Generic Dispensing Rate	HMSA/CVS	Kaiser
Cardiovascular/Hypertension	1	1	216,120	99.5%	41,733	99.9%	4,263	4,639
Lipid/Cholesterol Disorders	2	2	123,024	95.6%	21,785	99.6%	2,427	2,422
Diabetes	3	3	85,062	39.4%	12,806	73.1%	1,678	1,424
Anti-Infectives	4	4	66,223	98.2%	11,204	99.6%	1,306	1,246
Asthma/COPD	5	5	37,500	54.0%	7,599	68.4%	740	845
Pain Management	6	8	35,471	97.9%	5,978	99.9%	700	665
Ulcer	7	24	32,811	99.4%	1,513	99.9%	647	168
Glaucoma	8	16	31,608	73.5%	2,645	96.0%	624	294
Depression	9	6	28,346	97.5%	6,081	99.4%	559	676
Thyroid Disorder	10	11	27,727	90.6%	4,167	98.0%	547	463
Total Top 10			683,892	87.0%	115,511	94.6%	13,491	12,841
Proportion that are Specialty Drugs			1.8%		N/A			

- Rankings are by highest prescription counts. Comparisons are utilization rates for a consistent metric.
- Kaiser generic proportions are greater for each category and overall. Kaiser plans generally utilize their own pharmacy and focus on generic utilization to the extent possible.
- By disease category, HMSA/CVS prescribing rates are generally higher than Kaiser.

¹ Both 30-day and 90-day dispensed drugs are counted as one (1) script.

Diabetic Medication Trends

Non-Medicare Retirees

Diabetic Medication Type	HMSA/CVS					Kaiser				
	Prior Scripts (% of Total) ¹	Current Scripts (% of Total) ¹	Current Cost ² per Script	Change		Prior Scripts (% of Total) ¹	Current Scripts (% of Total) ¹	Current Cost per Script	Change	
				% of Total	Cost ² per Script				% of Total	Cost per Script
GLP-1	2,488 (20.3%)	3,573 (26.9%)	\$1,694 (1.9x)	6.6% pts.	-11.1%	146 (6.0%)	219 (8.0%)	N/A	2.0% pts.	N/A
-Bydureon Bcise	24 (0.2%)	14 (0.1%)	\$2,032	-0.1% pt.	-10.2%	0 (0.0%)	0 (0.0%)	N/A	0.0% pts.	N/A
-Mounjaro	53 (0.4%)	534 (4.0%)	\$1,476	3.6% pts.	-3.2%	0 (0.0%)	0 (0.0%)	N/A	0.0% pts.	N/A
-Ozempic	1,196 (9.8%)	1,793 (13.5%)	\$1,637	3.7% pts.	-11.6%	3 (0.1%)	29 (1.1%)	N/A	1.0% pt.	N/A
-Rybelsus	443 (3.6%)	516 (3.9%)	\$1,923	0.3% pts.	4.8%	0 (0.0%)	0 (0.0%)	N/A	0.0% pts.	N/A
-Trulicity	671 (5.5%)	630 (4.7%)	\$1,817	-0.7% pts.	-8.3%	1 (0.04%)	5 (0.2%)	N/A	0.2% pts.	N/A
-Victoza	101 (0.8%)	86 (0.6%)	\$1,909	-0.2% pts.	-21.4%	142 (5.9%)	185 (6.7%)	N/A	0.8% pts.	N/A
Other Anti-Diabetic/Insulin	9,771 (79.7%)	9,709 (73.1%)	\$623	-6.6% pts.	4.1%	2,269 (94.0%)	2,533 (92.0%)	N/A	-2.0% pts.	N/A
-Metformin	3,831 (31.3%)	3,649 (27.5%)	\$13	-3.8% pts.	75.1%	952 (39.4%)	1,049 (38.1%)	N/A	-1.3% pts.	N/A
All Diabetic Medications	12,259	13,282	\$911		5.5%	2,415	2,752	N/A		N/A
Number of Diabetics	1,916	1,991				284	437			

¹ Both 30-day and 90-day dispensed drugs are counted as one (1) script.

² Costs do not reflect impact of rebates.

Diabetic Medication Trends

Medicare Retirees

Diabetic Medication Type	HMSA/CVS					Kaiser				
	Prior Scripts (% of Total) ¹	Current Scripts (% of Total) ¹	Current Cost ² per Script	Change		Prior Scripts (% of Total) ¹	Current Scripts (% of Total) ¹	Current Cost per Script	Change	
				% of Total	Cost ² per Script				% of Total	Cost per Script
GLP-1	10,786 (13.9%)	15,542 (18.3%)	\$1,714 (2.1x)	4.3% pts.	-3.3%	423 (3.4%)	566 (4.4%)	N/A	1.0% pt.	N/A
-Bydureon Bcise	156 (0.2%)	119 (0.1%)	\$1,926	-0.1% pt.	-0.9%	0 (0.0%)	0 (0.0%)	N/A	0.0% pts.	N/A
-Mounjaro	120 (0.2%)	1,288 (1.5%)	\$1,526	1.3% pts.	19.8%	0 (0.0%)	8 (0.1%)	N/A	0.1% pts.	N/A
-Ozempic	4,555 (5.9%)	7,336 (8.6%)	\$1,633	2.7% pts.	-9.2%	0 (0.0%)	83 (0.6%)	N/A	0.6% pts.	N/A
-Rybelsus	1,724 (2.2%)	2,548 (3.0%)	\$1,911	0.8% pts.	9.9%	0 (0.0%)	0 (0.0%)	N/A	0.0% pts.	N/A
-Trulicity	3,331 (4.3%)	3,560 (4.2%)	\$1,740	-0.1% pts.	3.2%	0 (0.0%)	0 (0.0%)	N/A	0.0% pts.	N/A
-Victoza	900 (1.2%)	691 (0.8%)	\$2,034	-0.4% pts.	-1.4%	423 (3.4%)	475 (3.7%)	N/A	0.3% pts.	N/A
Other Anti-Diabetic/Insulin	66,583 (86.1%)	69,520 (81.7%)	\$607	-4.3% pts.	7.4%	11,846 (96.6%)	12,244 (95.6%)	N/A	-1.0% pt.	N/A
-Metformin	22,915 (29.6%)	23,495 (27.6%)	\$19	-2.0% pts.	44.5%	4,840 (39.4%)	4,991 (39.0%)	N/A	-0.4% pts.	N/A
All Diabetic Medications	77,369	85,062	\$810		10.3%	12,269	12,806	N/A		N/A
Number of Diabetics	13,470	14,094				2,609	2,771			

¹ Both 30-day and 90-day dispensed drugs are counted as one (1) script.

² Costs do not reflect impact of rebates.

Emergency Room Utilization Patterns

Methodology / Metric Reporting Period	Reporting Period	HMSA		Kaiser	
		Non-Medicare	Medicare	Non-Medicare	Medicare
New York University Algorithm ¹ : Proportion Non-Emergent or PCP Treatable Claims (Diagnosis-based)	2023	42.3%	38.2%	N/A	N/A
	2022	39.8%	39.1%	N/A	N/A
	Change (% points)	2.5%	-0.9%	N/A	N/A
Severity Level: Proportion of Claim Lines with Designated Procedure Codes					
99281 (Lowest Severity)	2023	0.2%	0.2%	1.8%	0.6%
	2022	0.4%	0.5%	1.5%	1.0%
	Change (% points)	-0.2%	-0.3%	0.3%	-0.4%
99282	2023	1.1%	0.9%	3.6%	1.9%
	2022	2.3%	1.2%	6.7%	3.0%
	Change (% points)	-1.3%	-0.3%	-3.1%	-1.2%
99283	2023	9.3%	6.9%	35.1%	28.8%
	2022	17.6%	12.9%	38.3%	29.0%
	Change (% points)	-8.3%	-6.1%	-3.3%	-0.2%
99284	2023	43.5%	32.0%	37.6%	40.2%
	2022	31.8%	25.7%	32.7%	40.9%
	Change (% points)	11.7%	6.3%	4.9%	-0.7%
99285 (Highest Severity)	2023	45.9%	60.0%	21.9%	28.5%
	2022	47.9%	59.8%	20.6%	26.0%
	Change (% points)	-1.9%	0.3%	1.3%	2.5%

Observations

- ER CPT code analysis for HMSA and Kaiser indicate most ER utilization was appropriate.
- Kaiser ER utilization had a higher concentration in the lower severity CPT codes, which may indicate members have challenges accessing lower intensity sites of care.

¹ NYU Algorithm only applied to HMSA due to data submission; algorithm utilizes diagnosis codes to classify into categories (care not immediately needed or could have been performed in a primary care setting)

Section 2: Key Healthcare Performance Metrics and Trends

HMSA Plans – Key Health Performance Metrics

Non-Medicare Retiree Members 2023

Claims Summary¹

Place of Service	Prior Period			Current Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total	Total Paid Amount	Total Paid PMPM	% of Total	
Outpatient Hospital	\$17,856,913	\$147.79	17.0%	\$20,521,377	\$167.63	18.2%	13.4%
Inpatient Hospital	\$22,535,062	\$186.51	21.4%	\$19,434,776	\$158.75	17.3%	-14.9%
Professional / Office	\$17,739,800	\$146.82	16.9%	\$20,047,325	\$163.75	17.8%	11.5%
Emergency Room	\$3,144,728	\$26.03	3.0%	\$3,670,615	\$29.98	3.3%	15.2%
Urgent Care	\$512,133	\$4.24	0.5%	\$585,518	\$4.78	0.5%	12.8%
Drugs Administered in Medical	\$4,696,146	\$38.87	4.5%	\$5,446,845	\$44.49	4.8%	14.5%
All Others ²	\$2,020,391	\$16.72	1.9%	\$2,548,631	\$20.82	2.3%	24.5%
Total Medical	\$68,505,172	\$566.97	65.2%	\$72,255,086	\$590.21	64.2%	4.1%
Total Rx³	\$36,558,046	\$302.57	34.8%	\$40,210,666	\$328.46	35.8%	8.6%
Total Paid	\$105,063,217	\$869.54	100.0%	\$112,465,752	\$918.67	100.0%	5.6%
Member Paid	\$18,501,637	\$153.13	17.6%	\$20,732,390	\$169.35	18.4%	10.6%
Plan Paid	\$86,561,581	\$716.42	82.4%	\$91,733,361	\$749.31	81.6%	4.6%

Utilization Metrics

Category	Prior Period	Current Period	Change	Norm ⁵	Vs. Norm
Avg Membership Per Month	10,069	10,202	1.3%	N/A	N/A
Office Visits per 1,000	6,478	6,647	2.6%	4,734	40.4%
Inpatient Admissions Per 1,000	39	41	4.4%	49	-16.5%
Inpatient Days Per 1,000	271	210	-22.5%	332	-36.8%
Average Cost per Day	\$8,336	\$8,740	4.8%	\$6,111	43.0%
Average Cost per Admission	\$57,613	\$44,829	-22.2%	\$41,418	8.2%
Readmission within 30 days ⁴	104	115	10.6%	N/A	N/A
ER Visits per 1,000	188	207	9.8%	192	7.5%
Rx Scripts per 1,000	12,985	13,010	0.2%	27,174	-52.1%

Observations

- Current period PMPM medical costs increased 4.1% from the prior period. Key drivers include:
 - Inpatient admissions per 1,000 increased year over year but offset by lower severity cases.
 - Utilization drove the ER year over year trend; Research based on ER CPT code severity indicates most utilization was appropriate.
 - Costs for outpatient surgeries and drugs within the medical plan were key factors increasing medical costs.
- Pharmacy costs increased 8.6% over the prior period; driven by the cost of drugs utilized; particularly increased use of diabetic, skin and circulatory condition medications.

¹ All amounts represent total claim cost; i.e., member and plan paid amounts to remove impact of plan design. Hospital costs include facility and corresponding professional charges.

² "All Others" includes Ancillary type services such as Home Health, Ambulance, and DME.

³ Pharmacy costs do not reflect rebates.

⁴ Readmissions reflect all subsequent admissions; does not account for planned readmissions or step-down units within the same facility.

⁵ Reflects the Segal data warehouse public sector book of business, 2022 data, age/gender adjusted, no geographic adjustment.

HMSA Plans – Key Health Performance Metrics

Medicare Retiree Members

Claims Summary¹

Place of Service	Prior Period			Current Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total	Total Paid Amount	Total Paid PMPM	% of Total	
Outpatient Hospital	\$120,239,961	\$200.11	15.8%	\$126,584,771	\$208.09	14.7%	4.0%
Inpatient Hospital	\$195,370,050	\$325.15	25.6%	\$224,298,879	\$368.71	26.0%	13.4%
Professional / Office	\$106,546,500	\$177.32	14.0%	\$112,456,378	\$184.86	13.0%	4.3%
Emergency Room	\$17,736,973	\$29.52	2.3%	\$19,118,954	\$31.43	2.2%	6.5%
Urgent Care	\$1,731,165	\$2.88	0.2%	\$2,072,015	\$3.41	0.2%	18.2%
Drugs Administered in Medical	\$45,885,291	\$76.37	6.0%	\$53,210,115	\$87.47	6.2%	14.5%
All Others ²	\$41,429,874	\$68.95	5.4%	\$55,855,084	\$91.82	6.5%	33.2%
Total Medical	\$528,939,813	\$880.29	69.4%	\$593,596,195	\$975.78	68.7%	10.8%
Total Rx³	\$233,371,103	\$388.39	30.6%	\$270,189,379	\$444.15	31.3%	14.4%
Total Paid	\$762,310,916	\$1,268.68	100.0%	\$863,785,574	\$1,419.93	100.0%	11.9%
Member Paid	\$433,146,452	\$720.87	56.8%	\$495,444,005	\$814.43	57.4%	13.0%
Plan Paid	\$329,164,464	\$547.82	43.2%	\$368,341,569	\$605.50	42.6%	10.5%

Utilization Metrics

Category	Prior Period	Current Period	Change
Avg Membership Per Month	50,072	50,694	1.2%
Office Visits per 1,000	8,256	8,381	1.5%
Inpatient Admissions Per 1,000	120	137	13.7%
Inpatient Days Per 1,000	865	789	-8.8%
Average Cost per Day	\$4,263	\$4,948	16.1%
Average Cost per Admission	\$30,664	\$28,535	-6.9%
Readmission within 30 days ⁴	116	117	0.4%
ER Visits per 1,000	381	407	6.6%
Rx Scripts per 1,000	19,843	20,779	4.7%

Observations

- Current period PMPM medical costs increased 10.8% from the prior period. Key drivers include:
 - Inpatient admissions per 1,000 increased 13.7% year over year but the length of stay was lower. Circulatory diseases were the leading drivers for admission rate increases.
 - Utilization drove the ER trend. Research based on ER CPT code severity indicates most utilization was appropriate.
 - Drugs within the medical plan were driven by treatment for cancer and circulatory conditions; and Others was a combination of ambulance and home health utilization as well as costs for durable medical equipment.
- Pharmacy costs increased about more than 14% over the prior period; driven by the cost of drugs utilized as well as specialty medications.

¹ All amounts represent total claim cost; i.e., member (including Medicare coordination amounts) and plan paid amounts to remove impact of plan design. Hospital costs include facility and corresponding professional charges.

² "All Others" includes Ancillary type services such as Home Health, Ambulance, and DME.

³ Pharmacy costs do not reflect rebates.

⁴ Readmissions reflect all subsequent admissions; does not account for planned readmissions or step-down units within the same facility.

Kaiser Plans – Key Health Performance Metrics

Non-Medicare Retiree Members 2023

Claims Summary¹

Place of Service	Prior Period			Current Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total	Total Paid Amount	Total Paid PMPM	% of Total	
Outpatient Hospital	\$6,144,936	\$222.22	33.5%	\$6,705,416	\$244.14	36.6%	9.9%
Inpatient Hospital	\$3,095,186	\$111.93	16.9%	\$2,334,381	\$84.99	12.7%	-24.1%
Professional (All)	\$4,452,865	\$161.03	24.2%	\$4,950,221	\$180.23	27.0%	11.9%
Emergency Room	\$922,126	\$33.35	5.0%	\$1,174,652	\$42.77	6.4%	28.2%
All Others ²	\$463,709	\$16.77	2.5%	\$440,058	\$16.02	2.4%	-4.5%
Total Medical	\$15,078,821	\$545.31	82.1%	\$15,604,728	\$568.15	85.1%	4.2%
Total Rx³	\$3,287,553	\$118.89	17.9%	\$2,731,154	\$99.44	14.9%	-16.4%
Total Paid	\$18,366,374	\$664.20	100.0%	\$18,335,882	\$667.58	100.0%	0.5%
Member Paid	\$1,500,482	\$54.26	8.2%	\$841,093	\$30.62	4.6%	-43.6%
Plan Paid	\$16,865,892	\$609.93	91.8%	\$17,494,789	\$636.96	95.4%	4.4%

Utilization Metrics

Category	Prior Period	Current Period	Change	Norm ⁵	Vs. Norm
Avg Membership Per Month	2,304	2,289	-0.7%	N/A	N/A
Office Visits per 1,000	6,156	5,883	-4.4%	4,688	25.5%
Inpatient Admissions Per 1,000	44	34	-22.2%	46	-25.9%
Inpatient Days Per 1,000	250	172	-31.4%	309	-44.5%
Average Cost per Day	\$5,364	\$5,940	10.7%	\$6,171	-3.7%
Average Cost per Admission	\$30,645	\$29,928	-2.3%	\$41,498	-27.9%
Readmission within 30 days ⁴	149	64	-56.8%	N/A	N/A
ER Visits per 1,000	174	190	9.2%	188	1.5%
Rx Scripts per 1,000	9,392	9,808	4.1%	28,889	-66.2%

Observations

- Current period PMPM medical costs increased 4.2% from the prior period. Key drivers include:
 - Inpatient admissions per 1,000 decreased year over year; fewer but higher intensity of care while in facility.
 - Costs drove the ER year over year trend. Research based on ER CPT code severity indicates most utilization was appropriate.
 - Costs for outpatient hospital as well as physicians drove the year over year increase for the professional category.
- Pharmacy costs decreased 16.4% over the prior period; driven by the cost of drugs utilized. A general increase in the proportion of generic medications also contributed to lower cost medications.

¹ All amounts represent total claim cost; i.e., member and plan paid amounts to remove impact of plan design. Hospital costs include facility; professional includes all fees from any location (except Emergency).

² "All Others" includes Ancillary type services such as Home Health, Ambulance, and DME.

³ Pharmacy costs do not reflect rebates.

⁴ Readmissions reflect all subsequent admissions; does not account for planned readmissions or step-down units within the same facility.

⁵ Reflects the Segal data warehouse public sector book of business, 2022 data, age/gender adjusted, no geographic adjustment.

Kaiser Plans – Key Healthcare Performance Metrics

Medicare Retirees

Category	Prior Period	Current Period	Change
Avg Membership Per Month	8,905	8,996	1.0%
Office Visits per 1,000	10,202	9,937	-2.6%
Inpatient Admissions Per 1,000	159	153	-3.7%
Inpatient Days Per 1,000	850	801	-5.8%
Readmission within 30 days ⁴	152	155	1.8%
ER Visits per 1,000	364	384	5.4%
Rx Scripts per 1,000	18,901	19,395	2.6%

Observations

- Office visits per 1,000 decreased by 2.6% and inpatient admissions per 1,000 decreased 3.7% from the prior period.
- ER visits per 1,000 increased by more than 5%. Research based on ER CPT code severity indicates most utilization was appropriate.
- Prescription drug utilization increased modestly and is below benchmark data.

Section 3: Prescription Drug Utilization and Care Compliance

Clinical Quality Performance Comparison

Chronic Conditions	Clinical Quality Metrics	HMSA		Kaiser		NCQA National Average ¹ Care Compliance Rate	
		Non-Medicare	Medicare	Non-Medicare	Medicare	Non-Medicare	Medicare
Diabetes	At least 1 hemoglobin A1C tests in last 12 months	89.4%	85.0%	92.9%	95.7%	89.4%	94.2%
	Annual screening for diabetic nephropathy	76.8%	74.7%	83.8%	91.0%	88.7%	94.9%
	Annual screening for diabetic retinopathy	53.8%	65.0%	51.0%	59.4%	49.0%	69.2%
CAD	Patients currently taking an ACE-Inhibitor or ARB Drug	42.3%	48.1%	57.3%	53.0%	85.9%	88.8%
	Patients currently taking a statin	83.0%	82.8%	78.7%	80.3%	81.8%	84.2%
Hyperlipidemia	Total cholesterol testing in last 12 months	86.4%	80.8%	80.6%	85.2%	Not Available	Not Available
COPD	Spirometry testing in last 12 months	22.9%	19.4%	29.4%	13.9%	34.0%	28.7%
Asthma	Patients with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	87.6%	86.4%	98.2%	80.0%	85.7%	85.7%
Preventive Screening	Cervical cancer	40.2%	26.3%	20.7%	14.1%	73.0%	73.0%
	Breast cancer	56.9%	53.4%	64.8%	69.5%	72.3%	72.1%
	Colorectal cancer	35.1%	36.8%	59.6%	65.2%	55.8%	69.3%
	Prostate cancer	47.9%	52.7%	52.9%	55.9%	Not Available	Not Available

- HMSA care compliance is lower than NCQA in most cases, except Hyperlipidemia. Preventive cancer screening rates improved from the prior period.
- Kaiser members generally experienced lower care compliance than NCQA for circulatory and COPD conditions. Kaiser members exhibit higher compliance for diabetic A1c (and exceed NCQA) testing.
- Kaiser care compliance is generally higher than HMSA for Diabetic A1c and nephropathy testing as well as preventive cancer screenings for breast and colorectal cancers.
- For all groups, preventive cancer screening rates generally improved from the prior period.

¹ Source: NCQA, "The State of Health Care Quality Report" 2023 (2022 Medicare PPO data). These figures are not adjusted for demographics or risk of the HI EUTF population.



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May 1, 2024

TO: Benefits Committee
THROUGH: Derek Mizuno, Administrator
FROM: Lara Nitta, Program Specialist
SUBJECT: Open Panel HMO Overview - **Confidential**

PPO vs. HMO

A PPO plan generally provides a member more freedom in selecting providers at a higher cost whereas an HMO plan provides an integrated care model where the PCP manages the member’s care within the HMO network.

	Preferred Provider Organization (PPO)	Health Maintenance Organization (HMO)
Primary care services	Does not require a designated primary care physician (PCP)	Requires a designated PCP
Specialty services	Referral not required	Referral required
Out-of-network services	Coverage is available at a higher copay.	Coverage is limited to urgent, emergency care and/or authorized services not available within the HMO network (e.g. services received at a Center of Excellence).
Plan design	Member cost share is typically a coinsurance (percentage of the eligible charge) after meeting an annual deductible.	No deductible and member cost share is usually a fixed dollar copay.
Plan cost	Rates depend on projected cost (which factor actuarial value and claims experience) and reserve requirements.	Member pays less because coverage is limited to an exclusive provider network. Rates depend on enterprise budget in addition to actuarial value and claims experience.

Closed Panel HMO vs. Open Panel HMO

In the last RFP for Medical Benefits and Pharmacy Benefit Management Services (RFP 24-001), we requested proposals for two types of HMO plans, a closed panel and open panel HMO.

EUTF’s Mission: 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 informed service that is excellent, courteous, and compassionate.

	Closed Panel HMO (Kaiser HMO)	Open Panel HMO (HMSA HMO)
Provider reimbursement	[REDACTED]	[REDACTED]
Referral process	Referred within the HMO network (e.g. Kaiser Permanente)	Referred within the member's health center or provider organization (e.g. Queen's, Hawaii Pacific Health).** Currently, the HMSA system cannot validate and monitor authorized referrals within and outside the member's designated health center (i.e., a member of health center A can see a specialist in health center B without a referral, if the specialist accepts the patient).

* Based on response to Q109 of RFP 24-001.

** HMSA's response to Q110 of RFP 24-001: "The current referral process involves the member's PCP first looking for a physician or facility in the member's health center. If none is available, the member's PCP will refer to an HMSA participating physician or facility. If still not available, the member's PCP can obtain an administrative review from HMSA to refer to a nonparticipating provider."

HMSA HMO

The HMSA HMO plan has been in effect since July 1, 2007. EUTF Staff could not find any information as to why the Board decided to offer an Open Panel HMO plan for the EUTF actives, but it seems that HMSA proposed such a plan in response to an RFP issued in Aug. 2006. The current plan design, premium, and enrollment compared to the HMSA 90/10 PPO and Kaiser Permanente HMO plans are as follows:

	HMSA HMO	HMSA 90/10 PPO (in-network)	Kaiser Comprehensive HMO	Kaiser Standard HMO
Actuarial value	96.0%	94.6%	96.9%	93.0%
Deductible	None	None	None	None
CY MOOP	\$1,500 / \$3,000 Drug: \$4,350 / \$8,700	\$2,000 / \$4,000 Drug: \$4,350 / \$8,700	\$2,000 / \$6,000	\$2,500 / \$7,500
Emergency room	\$100	10%	\$50	\$100
Inpatient	\$0	10%	\$0	15%
Outpatient				
Outpatient surgery (ASC)	\$0	10%	\$15	15%
Physician visit	\$15	10%	\$15	\$20
Diagnostic testing	\$0	10%	\$15	20%
Lab and X-ray	Lab: \$0 X-ray: \$15	10%	\$15	\$20 for basic 20% for specialty

	HMSA HMO	HMSA 90/10 PPO (in-network)	Kaiser Comprehensive HMO	Kaiser Standard HMO
Premium eff. 7/1/24 (with prescription drug)				
Self	\$1,095.60	\$1,060.94	\$839.04	\$520.56
Two-Party	\$2,661.52	\$2,597.16	\$2,038.86	\$1,264.94
Family	\$3,393.58	\$3,285.88	\$2,601.02	\$1,613.70
Enrollment as of 4/30/24				
Subscribers	708	2,496	4,004	9,393
% of EUTF active employees	1.5%	5.2%	8.3%	19.5%

The purpose of having an HMO plan is usually to provide a lower cost option to employees. However, the HMSA HMO plan is currently the most expensive plan offered to the EUTF actives. Enrollment in the HMSA HMO plan also remains low. The table below breaks out the subscriber enrollment by island as of 4/30/24:

	Oahu	Maui	Hawaii	Kauai	Lanai	Molokai
Subscribers	509	39	98	57	1	4

When asked how common it is to have a 100% HMO plan within its book, HMSA provided the following:

Percentage of HMSA employer clients with an HMO plan: 20% (or 10% of HMSA’s membership)

Percentage of HMSA employer clients with a 100% HMO plan: Less than 1%

Cc: Steve Murphy, Segal




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Memorandum

To: Board of Trustees
 Hawaii Employer-Union Health Benefits Trust Fund

From: Stephen Murphy 

Date: May 21, 2024

Re: Open Panel HMO Analysis (Informational Only)

Overview

Health Maintenance Organizations (“HMOs”) are a “health care system that assumes or shares both the financial risks and the delivery risks associated with providing comprehensive medical services...in a particular geographic area, usually in return for a fixed, prepaid fee.”¹

HMO Model Types	Description ¹
Staff Model	A closed-panel HMO where patients receive [non-emergency] services only through a limited number of providers in which physicians are HMO employees. (e.g., Kaiser Permanente)
Group Model	HMO contracts with a single multispecialty medical group to provide care to the HMO’s membership. The HMO pays the medical group a negotiated per capita rate, which the group distributes among its physicians, usually on a salaried basis.
Individual Practice Association (IPA)	A health care provider organization comprising a group of independent practicing physicians who maintain their own offices and band together for contracting their services to HMOs, preferred provider organizations, and insurance companies.
Mixed Model	An HMO that combines features of more than one HMO model. (e.g., HMSA)
Network Model	An HMO that contracts with multiple physician groups to provide services to HMO members. It may include single or multispecialty groups.

¹ Centers for Disease Control and Prevention, National Center for Health Statistics <https://www.cdc.gov/nchs/hus/sources-definitions/hmo.htm>

HMO enrollment peaked nationally at 31% during 1998 and has trended downward since.² Running counter to this trend is the West Region of the United States, which has access to multiple nationally recognized HMOs including Kaiser Permanente, Blue Cross and Blue Shield, Health Net, and UnitedHealthcare.

2023	Nationally	West Region	State/Local Government	5,000 or More Covered Workers	EUTF
Prevalence of HMO Enrollment ²	13%	26%	19%	17%	29%

In a recent trend, nine percent of all firms and 18% of large employers (5,000 or more workers)² are supplementing or replacing their full network HMO plans with narrower network alternatives. These narrow HMO network options can translate into first-year premium savings approaching 10 percent, when compared to the traditional full HMO network plans. Two narrow network HMO examples include Canopy Health <https://www.canopyhealth.com/> in Northern California, which is distributed through Health Net and UnitedHealthcare, and Vivity Health <https://www.vivityhealth.com/> in Southern California, which is available exclusively through Anthem Blue Cross.

EUTF’s History Offering an Open Panel HMO

EUTF has offered an open panel HMO option through HMSA since 7/1/2007. The plan design has not changed since the initial open panel HMO plan offering with 100% coverage of hospital services and a \$15 copay for Primary Care Physician (“PCP”) office visits.

Over the past 10 years, EUTF membership in the open panel HMO has declined to 1.5% of HMSA’s total enrollment. Contributing factors to this trend include:

- 2017 change in the rating of the HMSA 75/25 PPO plan and the bundled CVS prescription drug plan, which significantly lower its premiums; and,
- HMSA’s premium rate development methodology which is reliant upon the per capita claim costs of each plan when developing premium rates.
 - As plan membership declines, per capita costs rise which contribute to the acceleration in premium rates.

² Kaiser Family Foundation 2023 Employer Health Benefits Survey <https://www.kff.org/health-costs/report/2023-employer-health-benefits-survey/>

Based on prevalent HMO plans offered by HMSA and Kaiser Permanente in Hawaii, we solicited from HMSA the financial impact of the following open panel HMO plan changes.

HMSA Open Panel HMO Plan Design Considerations	Financial Impact
<p>Inpatient Reimbursement reduced from 100% to 90%</p> <p><i>(Note: Majority of HMSA’s clients reimburse open panel HMO inpatient expenses at 90%.)</i></p>	<p>█% reduction to the premium</p>
<p>Physician office visit copayment increased from \$15 to \$20</p> <p><i>(Note: Aligns with HMSA’s book of business and Kaiser Permanente’s Standard Plan)</i></p>	<p>█% reduction to the premium</p>

The combined impact of these plan design changes would have a modest impact on improving HMSA’s open panel HMO cost basis relative to EUTF’s other health plan options and nominally reduce the plan’s actuarial value from 96.0% to 95.1%.

We contend there are structural factors inhibiting the financial competitiveness of HMSA’s open panel HMO.

HMO Features	Observations
Provider Reimbursement	HMSA’s HMO provider reimbursement scheme is weighted towards fee-for-service reimbursements, which have been less effective at managing care and costs compared to a closed panel model.
Provider Discount	HMSA reports their open access HMO provider network discount variance compared to their PPO network is approximately █%. Given the referral requirements inherent in an HMO plan, we would anticipate a larger spread between the HMO and PPO plans.

Provider Access

HMSA's HMO physician network is approximately two-thirds the size of its PPO network. All HMO providers are participating PPO providers.

HMO network physician accessibility on Oahu, compared to the PPO network, is approximately █%. For all other islands combined, HMO network physician accessibility compared to the PPO network is less than █%, which may contribute to lower HMO participation on Neighboring Islands.

Referral Management Process

HMSA's HMO referral process system currently lacks the necessary checks and balances to validate and monitor authorized referrals within and outside the member's designated Health Center. Future system enhancements are necessary to align HMSA's capabilities with its peers.

Next Steps

EUTF and Segal have engaged with HMSA to mutually assess the factors adversely impacting the competitiveness of their open panel HMO plan, with an update provided by HMSA at the August 19th Benefits Committee Meeting.

Attachments:

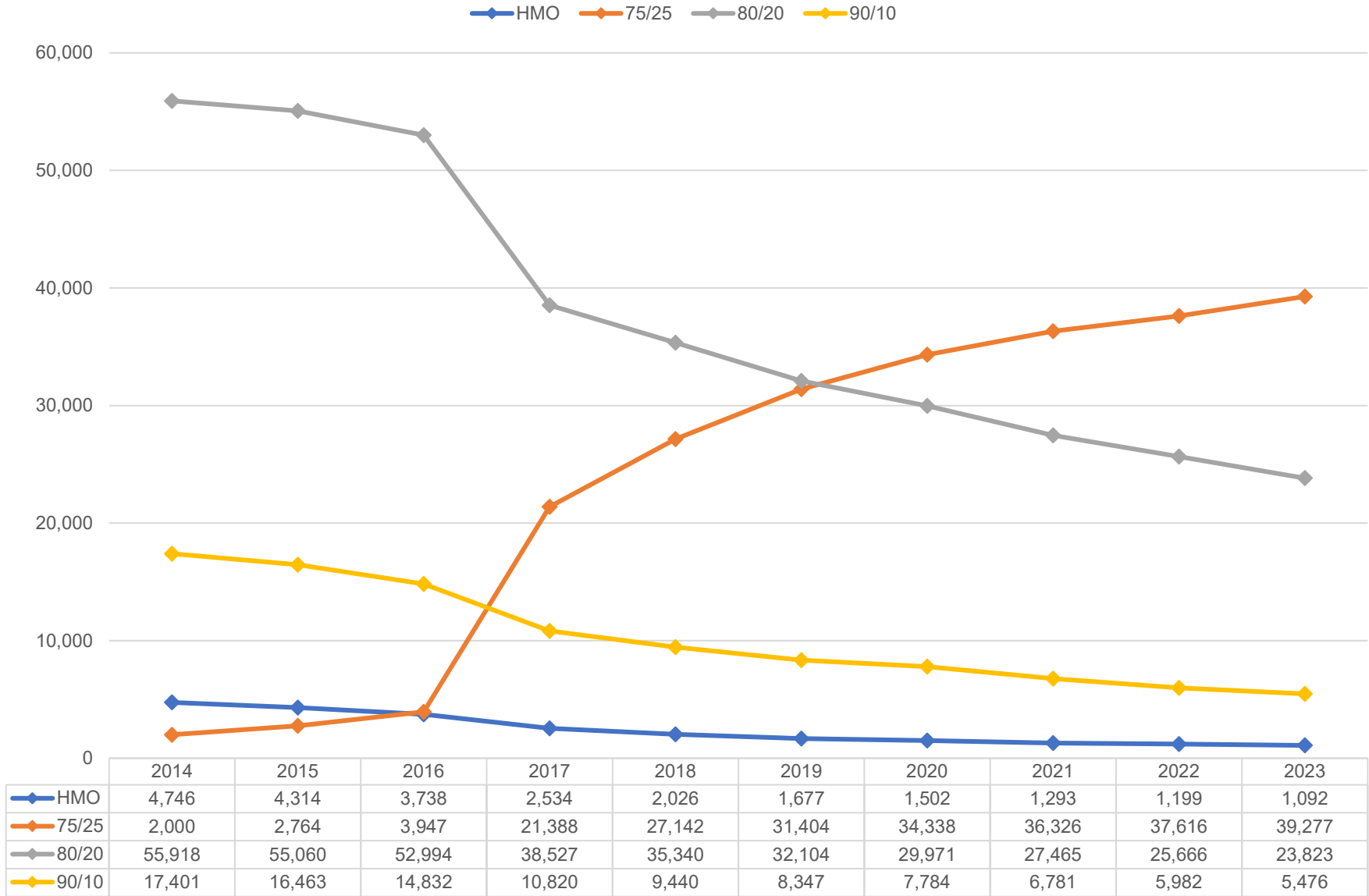
HMSA Health Plan Membership Distribution History by Plan
HMSA Health Plan Single Premium Rate History by Plan
Network Information

cc: Derek Mizuno, EUTF
Lara Nitta, EUTF

Disclaimer

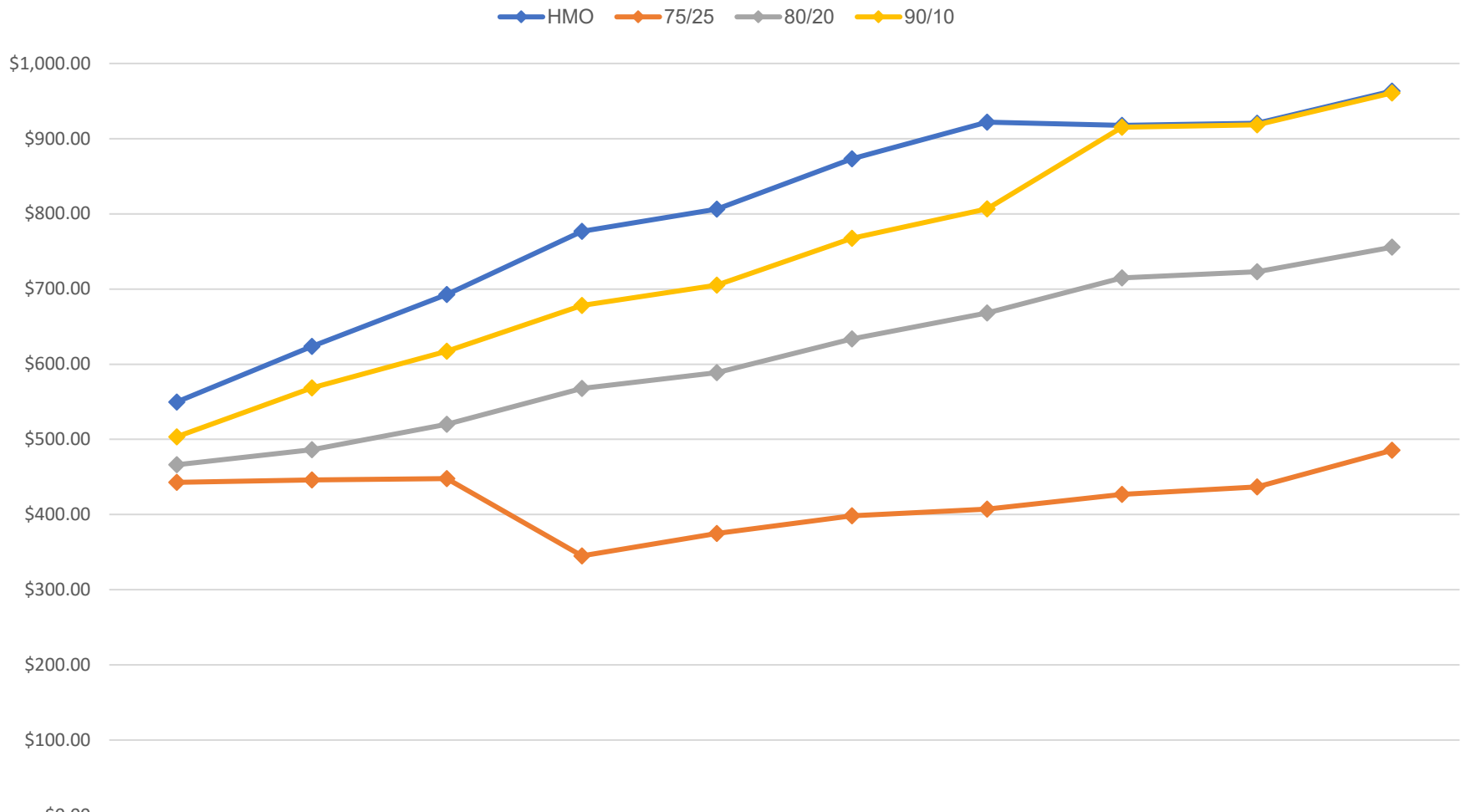
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HMSA Health Plan Membership Distribution by Plan 2014-2023



Note: Membership as of July of each year as provided by HMSA.

HMSA + CVS Health Plan Single Rates by Plan 2014-2023



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
HMO	\$549.82	\$623.68	\$692.74	\$776.88	\$806.40	\$873.34	\$922.10	\$917.50	\$920.70	\$963.30
75/25	\$442.80	\$445.90	\$447.76	\$345.10	\$374.92	\$398.36	\$407.16	\$426.82	\$436.76	\$485.50
80/20	\$466.26	\$486.34	\$520.14	\$567.68	\$588.74	\$633.50	\$668.08	\$714.64	\$723.04	\$755.60
90/10	\$503.52	\$568.42	\$617.44	\$678.16	\$705.32	\$767.34	\$806.68	\$915.04	\$918.28	\$960.86

Note: Rates based on EUTF rates for the majority of BU's including Insurer Fees.

Provider Type PPO	Oahu	Maui	Hawaii	Kauai	Lanai	Molokai	Total
Acute Hospitals							
Clinics							
General/Family Practice Physicians							
Internal Medicine							
OBGYN Specialists							
Other Specialists (Non Physician)							
Other Specialists (Physician)							
Outpatient Surgical Centers							
Urgent Care Facilities							

Provider Type HMO	Oahu	Maui	Hawaii	Kauai	Lanai	Molokai	Total
Acute Hospitals							
Clinics							
General/Family Practice Physicians							
Internal Medicine							
OBGYN Specialists							
Other Specialists (Non Physician)							
Other Specialists (Physician)							
Outpatient Surgical Centers							
Urgent Care Facilities							

Provider Type Medicare	Oahu	Maui	Hawaii	Kauai	Lanai	Molokai	Total
Acute Hospitals							
Clinics							
General/Family Practice Physicians							
Internal Medicine							
OBGYN Specialists							
Other Specialists (Non Physician)							
Other Specialists (Physician)							
Outpatient Surgical Centers							
Urgent Care Facilities							

There are 315 providers who have offices on multiple islands.