

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Administrative Committee Meeting  
Thursday, November 16, 2023

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson  
Mr. Wesley Machida (via video conference)  
Mr. Osa Tui

Ms. Maureen Wakuzawa  
Mr. Ryan Yamane (via video conference)

TRUSTEES ABSENT

Mr. Christian Fern  
Mr. James Wataru, Vice Chairperson

Mr. Robert Yu

ATTORNEY (via video conference)

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator  
Ms. Amy Cheung  
Ms. Jessica McDonald  
Mr. Todd Nishida  
Ms. Desiree Yamauchi

Mr. Marvin Judd (via video conference)  
Ms. Emily Kaimulua (via video conference)  
Ms. Katie Matsushima (via video conference)  
Ms. Melissa-Kim Tom (via video conference)

OTHERS PRESENT (via video conference)

Ms. Sandra Benevides, CVS  
Mr. Francis Nick Cuenca, CVS  
Ms. Samantha Furutani, CVS  
Mr. Chris Letoto, HMSA

Mr. Stephen Murphy, Segal Consulting  
Mr. Troy Tomita, Kaiser  
Ms. Anne VanHaaren, CVS  
Anonymous

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 9:00 a.m. by Trustee Audrey Hidano, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Thursday, November 16, 2023.

II. REVIEW OF MINUTES – August 17, 2023

The Committee reviewed the draft minutes of August 17, 2023.

MOTION was made and seconded to approve the minutes of August 17, 2023, as circulated. (Machida/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

III. NEW BUSINESS

A. 2024 Legislative Proposals

Mr. Derek Mizuno proposed an amendment to HRS 87A-33(b)(c) to have the 2024 to 2025 change in Medicare Part B premiums change the 2026 Base Monthly Contribution (BMC). Currently, the 2024 to 2025 change in Medicare Part B premiums changes the

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2025 BMC. Currently, retirees may not know the employer contribution when they select their plans during open enrollment (OE) since retiree OE is the last two weeks of October and the upcoming year's Medicare Part B premiums are available mid-October to early November. It is difficult to move retiree open enrollment back because of the timing of getting the carriers the open enrollment changes.

For the stub BMC year (2025), EUTF staff propose use of 5.2% which is the 5- and 10-year annualized increase in Medicare Part B premiums. GRS, actuary, believes that this is a reasonable percentage to use.

Trustee Wesley Machida requested that only section (c) be amended.

MOTION was made and seconded to recommend to the Board approval of a 2024 legislative proposal to amend HRS 87A-33(c) to have the base monthly contribution determined by the change in Medicare Part B from the previous year and to use a 5.2% increase for the 2025 base monthly contribution. (Tui/Machida) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

B. Strategic Plan Update as of June 30, 2023

Mr. Mizuno provided an update of the Strategic Plan as of June 30, 2023, noting the following:

1. Active employee medical and prescription drug claims trends – for the period 7/1/21 – 6/30/23 on track to meet the goal for the period 7/1/21 – 6/30/25.
2. Limiting growth in the actuarial accrued liability and annual required contributions – this goal is measured on a calendar year basis.
3. Investment portfolio returns and commensurate risk – returns over the period 7/1/21 – 6/30/23 of 1.5% were below the 7% goal but was in the top 14<sup>th</sup> percentile of public plans.
4. Customer satisfaction – for the period 7/1/22 – 6/30/23 not on track (29%) of having 85% of survey respondents be satisfied or very satisfied with customer service for the period 7/1/24 – 6/30/25. The areas for improvement are reducing turnover and filling vacant positions, stabilizing the new benefits administration system (BAS) and getting more employers/employees to use the new BAS, and having members utilize resources on the website and through in-person and web-based educational sessions.

IV. NEXT MEETING

May 2024

V. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 9:25 a.m. (Tui/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-2)

Respectfully submitted,

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/s/

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Audrey Hidano, Chairperson

APPROVED on June 18, 2024.

DOCUMENTS DISTRIBUTED:

1. Draft Administrative Committee Minutes of August 17, 2023. (4 pages)
2. Memorandum to EUTF Administrative Committee from Administrator, regarding 2024 Legislative Proposal, dated November 8, 2023. (1 page)
3. Memorandum to EUTF Administrative Committee from Administrator, regarding Strategic Plan Update as of June 30, 2023, dated November 8, 2023, Redacted Version. (11 pages)