

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Administrative Committee Meeting  
Thursday, August 22, 2024

TRUSTEES PRESENT

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

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

TRUSTEES ABSENT

Mr. James Wataru, Vice Chairperson  
Mr. Christian Fern

Mr. Osa Tui  
Mr. Robert Yu

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General (via video conference)

EUTF STAFF

Mr. Derek Mizuno, Administrator  
Ms. Donna Tonaki, Assistant Administrator  
Ms. Desiree Yamauchi  
Ms. Amy Cheung

Mr. Marvin Judd (via video conference)  
Ms. Katie Matsushima  
Ms. Jessica McDonald

OTHERS PRESENT (via video conference)

House Finance Budget

Mr. Troy Tomita, Kaiser

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, August 22, 2024.

II. REVIEW OF MINUTES – June 18, 2024

The Committee reviewed the draft minutes of June 18, 2024. Since there were no edits or objections by the Trustees, the minutes stand approved.

III. NEW BUSINESS

A. 2025 Legislative Proposals

Mr. Derek Mizuno proposed a similar bill during the 2024 legislative session to amend HRS 87A-33(c) to have the 2025 to 2026 change in Medicare Part B premiums change the 2027 base monthly contribution (BMC). Currently, the 2025 to 2026 change in Medicare Part B premiums will change the 2026 BMC. As a result, retirees may not know the employers' contribution when make changes to their plans during open enrollment (OE) since retiree OE is held the last two weeks of October and the upcoming year's Medicare Part B premiums are available mid-October to early November.

For the stub BMC year (2026), EUTF staff propose use of a 10-year annualized increase in Medicare Part B premiums (5.2% through 2024).

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MOTION was made and seconded to recommend to the Board approval of a 2025 legislative proposal to amend HRS 87A-33(c) to have the base monthly contribution determined by the change in Medicare Part B premiums from the previous year and to use the 10-year annualized increase in Medicare Part B premiums to determine the 2026 base monthly contribution. (Yamane/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-1)

Mr. Mizuno informed the Committee that legislative bill proposals are due to the State Department of Budget and Finance (B&F) by the end of this month. EUTF staff will submit this bill and inform B&F that approval by the Board will be recommended by the Committee at the September 24, 2024 Board meeting.

B. Biennium Budget Request – July 1, 2025 – June 30, 2027

Ms. Amy Cheung presented two requests to increase our base budget in the proposed biennium budget for the period July 1, 2025 to June 30, 2027 as follows:

1. Addition of funds to establish one permanent investment officer position in the amount of \$143,719 for fiscal year 2026 (with a 6-month delay in hire) and \$287,438 for fiscal year 2027. EUTF requested this same addition to the fiscal year July 1, 2024 to June 30, 2025 budget but it was not approved.
2. Increase in fringe benefits in the amount of \$674,106 due to the change in the approved composite fringe benefits rate from 52.61% to 64.25%.

The total appropriation ceiling for fiscal biennium 2025-2027 is \$10,189,407. The total amount over the ceiling that EUTF would like to request is \$817,825 for fiscal year 2026 and \$961,544 for fiscal year 2027. The grand total is \$11,007,232 for fiscal year 2026 and \$11,150,951 for fiscal year 2027.

MOTION was made and seconded to recommend to the Board approval of the proposed EUTF budget for fiscal years 2026 and 2027. (Wakuzawa/Machida) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-1)

Mr. Mizuno informed the Committee that budget proposals are due to the B&F by the end of this month. EUTF staff will submit this budget request and inform B&F that approval by the Board will be recommended by the Committee at the September 24, 2024 Board meeting.

IV. EXECUTIVE SESSION

This item was deferred to the next Committee meeting.

V. NEXT MEETING

November 2024 – strategic plan update and personnel

VI. ADJOURNMENT

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MOTION was made and seconded to adjourn the meeting at 9:16 a.m.  
(Wakuzawa/Machida) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-1)

APPROVED on November 1, 2024.

DOCUMENTS DISTRIBUTED:

1. Draft Administrative Committee Minutes of June 18, 2024. (3 pages)
2. Memorandum to EUTF Administrative Committee from Administrator, regarding 2025 Legislative Proposal, dated August 13, 2024. (4 pages)
3. Memorandum to EUTF Administrative Committee from Financial Management Officer, regarding Proposed Fiscal Biennium 2025-2027 Budget, dated August 13, 2024. (11 pages)