

1 III. NEW BUSINESS

2 A. 2025 EUTF Related Legislation

3 Mr. Derek Mizuno provided an update on the status of the EUTF bill related to the base
4 monthly contribution and other bills related to vacancies, board composition, EUTF being
5 administratively attached to a different department, board meetings, consultants, health
6 insurance mandates, prior authorization and ERS vesting periods.

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8 MOTION was made and seconded to Oppose the following bills:

- 9 1. SB645 Relating to Vacant State Positions
10 2. SB1292 Relating to Government, specifically moving EUTF under the newly created
11 Department of Healthcare Services
12 3. SB1646 Relating to Health Insurance
13 (Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/
14 Employee-Beneficiary Trustees-3)

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16 MOTION was made and seconded to Support HB403 Relating to the Sunshine Law.
17 (Wakuzawa/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-
18 3/Employee-Beneficiary Trustees-3)

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20 IV. COMMITTEE REPORTS

21 A. Administrative Committee

22 1. Strategic Plan Update as of June 30, 2024

23 Mr. Mizuno provided an update on the Strategic Plan as of June 30, 2024 noting the
24 following:

- 25 a. The HMSA, Kaiser and CVS active plans are not meeting their goals to be below
26 by 200 basis points (HMSA and CVS) or equal to or lower than (Kaiser) the
27 carriers' book of business (BOB). The HMSA and Kaiser under performance is
28 primarily due to a high number of high cost claims (HMSA) and high complexity
29 admissions (Kaiser) during the plan year that ended June 30, 2024. The CVS under
30 performance is primarily due to higher trends for diabetes and specialty utilization
31 than the BOB.
32 b. Limiting growth in the actuarial accrued liability and annual required contributions
33 – this goal is measured on a calendar year basis.
34 c. Investment portfolio returns and commensurate risk – the annualized return over the
35 period July 1, 2021 – June 30, 2024 of 3.7% was below the 7% goal but was in the
36 37th percentile of public plans.
37 d. Customer satisfaction – for the period July 1, 2023 – June 30, 2024 (86%) we are
38 meeting the goal of 85% of survey respondents being satisfied or very satisfied with
39 customer service for the period July 1, 2024 – June 30, 2025. Turnover has been
40 low during calendar year 2024 (one employee left), Member Services Branch call
41 answer rates have improved to 85.5% and more members and employers are
42 utilizing the online portals.

43
44 2. Draft Strategic Plan 2025-2029

45 Mr. Mizuno noted that the proposed goals are similar to the current strategic plan
46 relating to 1) the active employee medical and prescription drug claims trends, 2) the
47 projected unfunded actuarial accrued liability and annual required contributions, 3)
48 investment returns and 4) member and employer satisfaction rates.

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2 MOTION was made and seconded to approve the Administrative Committee's
3 recommendation to approve goal #4 and the related objectives and tactics for the
4 Strategic Plan for the period July 1, 2025 to June 30, 2029. (Hidano/Ferguson-
5 Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-
6 Beneficiary Trustees-3). Vice Chairperson Yu asked Mr. Mizuno to consider hiring a
7 third party consultant to assist with the survey questions and process.
8

9 3. Unrestricted, unreserved Net Assets

10 Mr. Mizuno noted that EUTF has been using unrestricted, unreserved net assets from
11 January 1, 2014 retirees and July 1, 2014 active employees to pay for administrative
12 expenses. The current waiver from the September 25, 2018 Board meeting runs
13 through December 31, 2028 retirees and June 30, 2029 active employees. A
14 consideration from the 2024 EUTF Permitted Interaction Group was to extend the
15 waiver of the administration fee for an additional four years. EUTF staff recommended
16 extension of the waiver for an additional six years through December 31, 2034 retirees
17 and June 30, 2035 active employees.
18

19 MOTION was made and seconded to approve the Administrative Committee's
20 recommendation to extend the EUTF administrative fee waiver for the periods 1/1/29 –
21 12/31/34 for retirees and 7/1/29 – 6/30/35 for active employees and transfer of
22 cash/short-term investments and net assets from the agency fund to the enterprise fund
23 for the retirees' share of the waived EUTF administrative fee. (Hidano/Ferguson-
24 Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-
25 Beneficiary Trustees-3)
26

27 B. Benefits Committee

28 1. Kaiser Permanente Burden of Disease and HEDIS Report for Calendar Year 2023

29 Mr. Mizuno noted that Kaiser reported on the health, screenings and disease
30 management for the EUTF, Kaiser Hawaii and national populations.
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32 2. HMSA Disease Burden and HEDIS Summary for Calendar Year 2023

33 Mr. Mizuno noted that HMSA reported on the health, screenings and disease
34 management for the EUTF, HMSA and national populations.
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36 3. 2025 Health and Wellness Communication Plan

37 Mr. Mizuno noted that staff presented the 2025 health and wellness communication
38 plan that focuses on encouraging members to see their providers and education on
39 mental health, chronic conditions and healthy lifestyle.
40

41 V. REPORTS

42 A. EUTF Benefits Consultant (Segal)

43 1. 2025 Health Plan Cost Trend Survey Summary

44 2. Compliance News

45 Mr. Stephen Murphy, Segal, summarized the Segal reports.
46

47 B. Administrator

48 1. Meetings with Legislators and Unions

- 1 2. Staffing Update
- 2
- 3 3. Training
- 4 Mr. Mizuno provided information on the vacancies and recruitment efforts.

5 C. EUTF Managers' and Program Specialists' Reports

- 6 1. Member Services Branch (MSB)
- 7 a. MSB Data
- 8 b. Outreach & Training
- 9 c. 2025 Active Open Enrollment
- 10 d. 2025 Retiree Special Open Enrollment
- 11 2. Information Systems (IS)
- 12 a. EUTF Benefits Administration System (BAS) Project
- 13 b. Equipment Replacement
- 14 c. Enrollment Counts
- 15 3. Eligibility and Enrollment Report
- 16 a. Audits Currently in Progress
- 17 b. Point in Time Reconciliation Audits
- 18 c. Recurring Audits
- 19 4. Health and Wellness Report
- 20 a. Worksite Wellness
- 21 b. Preventive Health
- 22 c. Chronic Disease Management
- 23 5. Financial Services Branch (FSB)
- 24 a. FSB Performance Data
- 25 b. Refunds and Medicare Part B Overpayments Status
- 26 c. EUTF Collections
- 27 d. Financial Statements as of October 31, 2024

28 D. Carrier Reports

- 29 1. CVS Caremark
- 30 2. SilverScript
- 31 3. Hawaii Dental Service (HDS)
- 32 4. Hawaii Medical Service Association (HMSA)
- 33 5. Humana
- 34 6. Kaiser Health Foundation
- 35 7. Securian
- 36 8. Verdegard Hawaii (formerly known as HMA)
- 37 9. Vision Service Plan (VSP)

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39 VI. EXECUTIVE SESSION

40 MOTION was made and seconded to move into Executive Session at 9:37 a.m. (Ferguson-
41 Miyamoto/Tui) The motion passed unanimously. (Employer Trustees-3/Employee-
42 Beneficiary Trustees-3)

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44 The regular meeting reconvened at 9:52 a.m.

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46 Vice Chairperson Yu reported that during Executive Session, the Board

- 47 • Approved a contract award under RFP 25-001 Actuarial Valuation Services.

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

February 11, 2025 Minutes

Page 5

- 1 • Concurred with the Department of the Attorney General and insurance counsels' decision
2 relating to pending litigation.
3 • Reviewed and discussed the January 13, 2025 minutes. Since there were no edits or
4 objections, the minutes stand approved.
5

6 VII. NEXT MEETING

7 Tuesday, March 11, 2025, 9:00 a.m. – EUTF related legislation and Investment Committee
8 Reports
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10 VIII. ADJOURNMENT

11 MOTION was made and seconded for the Board to adjourn the meeting at 9:54 a.m.
12 (Ferguson-Miyamoto/Hidano) The motion passed unanimously. (Employer Trustees-
13 3/Employee-Beneficiary Trustees-3)
14

15 Documents Distributed:

- 16 1. Draft Board Minutes for January 13, 2025. (5 pages)
17 2. EUTF Legislative Update, dated February 6, 2025. (8 pages)
18 3. Memorandum to EUTF BOT from Administrative Committee, regarding February 6, 2025
19 Administrative Committee Meeting, dated February 6, 2025. (2 pages)
20 4. Memorandum to EUTF BOT from Benefits Committee, regarding Benefits Committee Meeting,
21 dated February 5, 2025. (1 page)
22 5. Memorandum to BOT EUTF from Segal Consulting, regarding Segal's 2025 Health Plan Cost
23 Trend Survey, dated February 11, 2025. (37 pages)
24 6. Memorandum to BOT EUTF from Segal Consulting, regarding Segal Reports – Compliance
25 News, dated February 11, 2025. (13 pages)
26 7. Administrator's Monthly Report to the Board for January 4 – January 31, 2025, dated January
27 31, 2025. (1 page)
28 8. Memorandum to BOT from Member Services Branch Manager, regarding January 2025 Member
29 Services Operations Report, dated January 31, 2025. (6 pages)
30 9. Memorandum to BOT from Information Systems Chief, regarding January 2025 Information
31 Systems (IS) Operations Report, dated January 31, 2025. (9 pages)
32 10. Memorandum to Administrator from Eligibility Specialist regarding January 2025 Eligibility and
33 Enrollment Report, dated January 31, 2025. (2 pages)
34 11. Memorandum to EUTF BOT from Health and Wellness Specialist regarding January Health and
35 Wellness Specialist Report, dated January 31, 2025. (1 page)
36 12. Memorandum to BOT from EUTF Financial Management Officer regarding January 2025
37 Financial Services Branch (FSB) Report, dated January 31, 2025. (15 pages)
38 13. CVS/Caremark Monthly Carrier Report for January 2025 dated February 3, 2025. (2 pages)
39 14. SilverScript Monthly Carrier Report for January 2025 dated February 1, 2025. (3 pages)
40 15. HDS Monthly Carrier Report for January 2025 dated February 4, 2025. (2 pages)
41 16. HMSA Monthly Carrier Report for January 2025 dated February 4, 2025. (3 pages)
42 17. Securian Financial Monthly Carrier Report for January 2025 dated February 5, 2025. (1 page)
43 18. Verdegard Hawaii Monthly Carrier Report for January 2025 dated February 5, 2025. (2 pages)