

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
Thursday, February 6, 2025

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson
Mr. Christian Fern (entered at 9:03 a.m.)
Mr. Osa Tui

Ms. Maureen Wakuzawa
Mr. Ryan Yamane (via video conference, joined at 9:13 a.m.)
Mr. Robert Yu (via video conference)

TRUSTEES ABSENT

Mr. James Wataru, Vice Chairperson

Mr. Wesley Machida

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Ms. Amy Cheung, Financial Management Officer

Ms. Jessica McDonald, Member Services Branch Manager
Mr. Todd Nishida, Information Systems Chief
Ms. Desiree Yamauchi

OTHERS PRESENT (via video conference)

Mr. Ty Bowers, CVS
Mr. Francis Cuenca, CVS

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, February 6, 2025.

II. REVIEW OF MINUTES – November 18, 2024

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

Trustee Christian Fern entered the meeting at 9:03 a.m.

III. NEW BUSINESS

A. Strategic Plan Update as of June 30, 2024

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

1. The HMSA, Kaiser and CVS active plans are not meeting their goals to be below by 200 basis points (HMSA and CVS) or equal to or lower than (Kaiser) the carriers' book of business (BOB). The HMSA and Kaiser under performance is primarily due to a high number of high cost claims (HMSA) and high complexity admissions (Kaiser) during the plan year that ended June 30, 2024. The CVS under performance is primarily due to higher trends for diabetes and specialty utilization than the BOB.

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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 – the annualized return over the period July 1, 2021 – June 30, 2024 of 3.7% was below the 7% goal but was in the 37th percentile of public plans.
4. Customer satisfaction – for the period July 1, 2023 – June 30, 2024 (86%) we are meeting the goal of 85% of survey respondents being satisfied or very satisfied with customer service for the period July 1, 2024 – June 30, 2025. Turnover has been low during calendar year 2024 (one employee left), Member Services Branch call answer rates have improved to 85.5% and more members and employers are utilizing the online portals.

B. Draft Strategic Plan 2025-2029

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

Trustee Ryan Yamane entered the meeting at 9:13 a.m.

MOTION was made and seconded to recommend to the Board approval of goal #4 and the related objectives and tactics for the Strategic Plan for the period July 1, 2025 to June 30, 2029. (Tui/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

C. Unrestricted, Unreserved Net Assets

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

MOTION was made and seconded to recommend to the Board an extension of the EUTF administrative fee waiver for the periods January 1, 2029 – December 31, 2034 for retirees and July 1, 2029 – June 30, 2035 for active employees and transfer of cash/short-term investments and net assets from the agency fund to the enterprise fund for the agency fund's share of the waived EUTF administrative fee. (Tui/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

IV. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:29 a.m.

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(Tui/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

The regular meeting reconvened from Executive Session at 9:35 a.m.

Chairperson Hidano reported that during Executive Session, the Board:

- Discussed a personnel matter.
- Reviewed and discussed the November 18, 2024 minutes. Since there were no edits or objections by the Trustees, the minutes stand approved.

V. NEXT MEETING

Possible meeting in March for personnel matters.

VI. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 9:42 a.m. (Tui/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

APPROVED on June 10, 2025.

DOCUMENTS DISTRIBUTED:

1. Draft Administrative Committee Minutes for November 18, 2024. (2 pages)
2. Memorandum to EUTF Administrative Committee from Administrator, regarding Strategic Plan Update as of June 30, 2024, dated January 31, 2025, Redacted Version. (11 pages)
3. Draft EUTF Strategic Plan, 7/1/25-6/30/29, Redacted Version. (6 pages)
4. Memorandum to EUTF Administrative Committee from Administrator, regarding Unreserved, Unrestricted Net Assets, dated January 31, 2025. (2 pages)