

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
Tuesday, May 20, 2025

TRUSTEES PRESENT

Mr. Wesley Machida, Vice Chairperson
Ms. Jacqueline Ferguson-Miyamoto
Mr. Christian Fern
Ms. Sabrina Nasir (via video conference, entered at 10:26 a.m.)

Ms. Maureen Wakuzawa
Mr. James Wataru
Mr. Ryan Yamane (via video conference, excused at 10:01,
reentered at 10:34 a.m.)

TRUSTEES ABSENT

Mr. Osa Tui, Chairperson
Ms. Audrey Hidano

Mr. Robert Yu

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Desiree Yamauchi

Ms. Lara Nitta
Ms. Melissa Tom (via video conference)

CONSULTANTS (Segal Consulting) (in person unless otherwise noted)

Mr. Tyler Brotz (via video conference)
Ms. Shelley Chun
Ms. Mary Fedor

Mr. Quentin Gunn
Mr. Stephen Murphy
Mr. Richard Ward

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

Mr. Justin Allen
Mr. Blaise Aquino, HMSA
Ms. Stacia Baek, HDS (in person)
Mr. Ty Bowers, CVS
Mr. Su Chai, Kaiser (in person)
Mr. Thomas England, Kaiser (in person)
Ms. Elaine Fujiwara, HDS
Ms. Samantha Furutani, CVS
Dr. Rupal Gohil, HMSA
Mr. Randall Hiyoto, Legislature
Ms. Monica Kim, VSP (in person)
Ms. Meagan Kini-Ho, HMSA
Mr. Lawrence Lau, HDS

Ms. Joey Lee, HDS
Mr. Chris Letoto, HMSA
Mr. Larry Loew, Humana
Ms. Cara McClean, HDS
Ms. Denise Mercil, Securian
Dr. Christopher Miura, Kaiser
Mr. Ezra Ng, HMSA
Mr. Clesson Pang, HDS
Mr. Dave Shiroma, Kaiser
Ms. Gretel Tsoi, HDS
Mr. Troy Tomita, Kaiser
Mr. Scott Yamaguchi, Kaiser

I. CALL TO ORDER

The meeting of the Benefits Committee of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) was called to order at 9:00 a.m. by Trustee Wesley Machida, Vice Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, May 20, 2025.

II. REVIEW OF MINUTES – April 8, 2025

The Benefits Committee reviewed the draft minutes of April 8, 2025. Since there were no edits or objections by the Trustees, the minutes stand approved. Delegation of Generic Step Therapy Program changes will be discussed at the next Committee meeting.

III. NEW BUSINESS

A. Carrier Utilization Reports for the period ending December 31, 2024

1. Kaiser Permanente Semi-Annual Utilization Report

Mr. Troy Tomita, Mr. Su Chai, and Mr. Thomas England, Kaiser Permanente, presented their semi-annual claims report through December 31, 2024 for the active employee (6-months) and non-Medicare retiree (calendar year) plans noting that the EUTF non-Medicare retiree per member per month (PMPM) claims trend (16.5%) was higher than the Kaiser commercial book of business (BOB). The primary drivers of the EUTF higher trend are 59.1% and 30.1% PMPM increases in inpatient and pharmacy, respectively, which were both greater than the BOB trend. The inpatient increase was caused by a 78.4% increase in admitted days per 1,000 including seven high-cost claimants in 2024 versus four in 2023. The pharmacy increase was caused by increases in higher costing brand drug utilization. The active employee PMPM claims trend for the six-months ended (2.5%) is significantly lower than the Kaiser commercial BOB due to lower complexity of inpatient admissions. Vice Chairperson Machida asked about ways that the benefit plan design could be modified to help the retirees.

2. VSP Retiree Annual Utilization Report

Ms. Monica Kim, VSP presented their utilization report for the EUTF and HSTA VB retirees for the period ending December 31, 2024 noting the following:

1. The PMPM claims trend from 2023 to 2024 was a decrease of 0.9% which was lower than the BOB.
2. 28% of retirees (same as 2023) had an annual eye exam which exceeds the VSP local BOB rate.
3. 93% of retirees (92% in 2023) visited an in-network provider for services.

3. HDS Retiree Annual Utilization Report

Ms. Stacia Baek, HDS, presented their utilization report for the EUTF and HSTA VB retirees for the period ending December 31, 2024 noting the following:

1. The PMPM claims trend (3.9%) was higher than the HDS BOB due to a richer benefit plan and higher utilization of services across all categories.
2. Retirees had higher rates of oral exams and cleanings and lower rates of no visits than the HDS BOB and national peers. Members with no visits incur higher costs than those with prior visits.
3. 4.0% of retirees hit their \$2,000 plan maximum limit in 2024 (vs. 3.6% in 2023).
4. 97.6% of retirees visited an in-network dentist.

B. Proposed HDS Plan Changes

Ms. Baek proposed the following changes to the HDS dental plans:

EUTF and HSTA VB Active Employees and Retirees Posterior Composite Filling Benefit Change

The current posterior filling benefit is an alternate benefit where coverage is based on the allowed amount of an amalgam (silver) filling at 80% after the \$50 deductible for the EUTF and HSTA VB active employee and retiree plans and 45% for the HSTA VB supplemental dental plan. Composite fillings are the predominant cavity filling for EUTF members – 77.5% and 80.4% of posterior filling claims were for composite (white) fillings

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under the active and retiree plans, respectively, and nearly half of the HDS dentists submitted only composite filling claims in 2024. HDS proposed three options to cover posterior composite fillings:

| | EUTF &HSTA Actives & Retirees (after \$50 deductible) | HSTA VB Supplemental |
|--------------------|--|-----------------------------|
| 1. Current Plan | 80% | 45% |
| 2. Premium Neutral | 30% | 15% |
| 3. Shared Cost | 50% | 30% |

Addition of the posterior composite filling coverage would eliminate balance billing by the dentists. EUTF staff estimated \$25.7 million would pay for the future increase in premiums for the retirees and if transferred from the EUTF Trust Fund to the OPEB Trust Fund would cover the increase in the actuarial accrued liability if demographic, economic and other assumptions are met. The Committee, EUTF staff and Segal discussed the desire to eliminate the balance billing to our members. The Committee also discussed enhancing the benefit whether to do an interim increase (option 3) or to match the current coinsurance for amalgam fillings (option 1).

MOTION was made and seconded to recommend to the Board coverage of posterior composite fillings subject to the annual deductible at 80% under the EUTF and HSTA VB active employee and retiree dental plans and at 45% under the HSTA VB active employee supplemental dental plan effective January 1, 2026 and transfer of \$25.7 million from the EUTF Trust Fund to the OPEB Trust Fund. (Wataru/Fern) Mr. Justin Allen informed the Committee that it has been difficult to find providers that use amalgam fillings on Maui and encouraged the Committee to adopt the proposed change. The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-4)

Mr. Mizuno asked the Benefits Committee not to adjust active employee premiums for the plan year July 1, 2025 – June 30, 2026 and to pay for any additional premiums from Excess Funds.

HSTA VB Active Employee and Supplemental True Implant Benefit Change

The current implant benefit under the HSTA VB dental and supplemental dental plans is an alternative benefit of a three-unit bridge and covered only when the missing tooth is between two natural teeth at 60% coverage after the \$50 annual deductible, once every 5 years per tooth ages 16 and older and subject to a 12-month waiting period; and 50% coverage under the HSTA VB active employee dental and supplemental dental plans, respectively. This is an obsolete benefit. All other EUTF and HSTA VB plans have a true implant benefit at 60% after the \$50 annual deductible, once every 5 years per tooth ages 19 and older and subject to a 12-month waiting period. This change would also eliminate balance billing by the dentists. ADA guidelines on the appropriate age for implants have been updated since the HSTA VB benefit was implemented, and there have been no HSTA VB claims for this benefit since 2016 for members under age 19. Mr. Derek Mizuno noted that this is the last remaining difference between the EUTF and HSTA VB active and retiree plans.

Trustee Ryan Yamane was excused at 10:01 a.m. during the presentation.

MOTION was made and seconded to recommend to the Board a “true” implant benefit and removal of the limitation that an implant be between two natural teeth under the HSTA VB active employee dental and supplemental dental plans effective July 1, 2026. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-4)

C. Kaiser Permanente Senior Advantage Plan Part D Threshold

Mr. Tomita, Kaiser Permanente, informed the Committee that CMS increased the annual out-of-pocket (OOP) prescription drug threshold to \$2,100 per calendar year in 2026 from the current \$2,000. Kaiser is moving their BOB to the new OOP. However, Kaiser is able to retain the \$2,000 OOP for the EUTF and HSTA VB Kaiser Permanente Senior Advantage plans in 2026.

D. Proposed CVS Prescription Drug Plan Changes

Ms. Shelley Chun, Segal Consulting, recommended a new cumulative fill edit developed by CVS to address inappropriate fill patterns for GLP-1s where members are filling multiple strengths of the same GLP-1, different GLP-1s in the same drug class and different GLP-1s across all classes. There are instances in which multiple fills within a 21-day period are appropriate, for example, when the member is new to the GLP-1 and the physician is trying to get the appropriate dosage (i.e., titrating). For such situations, the pharmacist can get a one-time override from the CVS Pharmacy Helpdesk. Additional requests will be sent to the CVS account team. Segal is recommending the cumulative fill edit across all classes only for the EUTF non-Medicare retirees effective July 1, 2025. The edit is not recommended for the actives at this time since there will be an impact to the rebate guarantees. Segal and staff will continue to work with CVS on reducing the impact to the rebate guarantees and analyzing the impact to the EUTF non-Medicare retirees and the other CVS public sector clients who have adopted this edit.

Trustee Sabrina Nasir entered the meeting at 10:26 a.m. during the presentation.

MOTION was made and seconded to recommend to the Board addition of the cumulative fill edit on antidiabetic and weight loss GLP1s simultaneously to the EUTF non-Medicare retiree prescription drug plan administered by CVS effective July 1, 2025. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-4)

E. 2025 Segal Retiree Annual Report

Mr. Quentin Gunn, Segal Consulting, presented their annual review of the retiree plans including their observations, the retiree subsidy and price sensitivity, retiree health, benchmarking, and dental and vision.

Trustee Yamane re-entered the meeting at 10:34 a.m. during the presentation.

IV. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session as stated on the agenda at 10:52 a.m. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

The regular meeting reconvened at 11:01 a.m.

Vice Chairperson Machida reported that during Executive Session, the Committee reviewed and discussed the February 4, 2025 minutes. Since there were no edits or objections by the Trustees, the minutes stand approved.

V. NEXT MEETING DATE – June 9, 2025

The next meeting agenda will include the HMSA utilization report for the period ending December 31, 2024 and proposed HMSA plan changes.

VI. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 11:02 a.m. (Wataru/Fern) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

APPROVED on June 9, 2025.

Documents Distributed:

1. Draft Benefits Committee Minutes for April 8, 2025. (3 pages)
2. EUTF Cost and Utilization Summary, Non-Medicare Retirees and Actives, prepared by Kaiser Permanente, dated May 20, 2025, Redacted Version. (21 pages)
3. EUTF & HSTA VB Retiree Utilization, Plan Year Ending 12/31/2024, prepared by VSP, dated May 20, 2025, Redacted Version. (16 pages)
4. EUTF & HSTA VB Retirees Annual Utilization Report, January 2024 – December 2024, prepared by HDS, dated May 20, 2025, Redacted Version. (15 pages)
5. Memorandum to EUTF Benefits Committee from HDS, regarding Plan benefit changes: 1. EUTF Posterior Composite Filling Benefit Change, 2. HSTA VB and HSTA VB Supplemental True Implant Benefit Change, dated May 20, 2025, Redacted Version. (7 pages)
6. Memorandum to BOT EUTF from Kaiser Permanente, regarding 2026 KPSA Part D Threshold, dated May 20, 2025, Redacted Version. (1 page)
7. Memorandum to EUTF Benefits Committee from Segal Consulting, regarding GLP1 Cumulative Fill Edit, dated May 20, 2025, Redacted Version. (3 pages)
8. EUTF 2025 Annual Analysis Report, Retirees, prepared by Segal Consulting, dated May 2025, Redacted Version. (45 pages)