

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees

Tuesday, May 27, 2025

TRUSTEES PRESENT

Mr. Ryan Yamane, Chairperson (via video conference, entered at 9:22 a.m.)
Mr. Robert Yu, Vice Chairperson
Mr. James Wataru, Secretary-Treasurer
Ms. Jacqueline Ferguson-Miyamoto
Mr. Christian Fern (via video conference)

Mr. Wesley Machida (via video conference)
Ms. Sabrina Nasir
Mr. Osa Tui
Ms. Maureen Wakuzawa

TRUSTEES ABSENT

Ms. Audrey Hidano

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Mr. David Okamoto, Chief Investment Officer
Ms. Jessica McDonald, Member Services Branch Manager (via video conference)
Mr. Brett Tatsuno, Investment Officer (via video conference)
Mr. Michael Gadach (via video conference)
Mr. Justin Isobe (via video conference)

Mr. Marvin Judd (via video conference)
Ms. Emily Kaimuloa (via video conference)
Mr. Joao Marco Maffini (via video conference)
Ms. Katie Matsushima (via video conference)
Ms. Lara Nitta (via video conference)
Ms. Melissa Tom (via video conference)
Ms. Desiree Yamauchi

CONSULTANTS (via video conference)

Mr. Colin Bebee, Meketa Investments
Mr. Tyler Brotz, Segal Consulting
Ms. Shelley Chun, Segal Consulting

Ms. Mary Fedor, Segal Consulting
Mr. Stephen Murphy, Segal Consulting

OTHERS PRESENT

Mr. Blaise Aquino, HMSA
Ms. Salena Atencio, Verdegard
Ms. Stacia Baek, HDS
Mr. Kevin Balaod, With.Intelligence
Ms. Sandra Benevides, CVS
Mr. Ty Bowers, CVS
Mr. Su Chai, Kaiser
Mr. Francis Cuenca, CVS
Mr. Thomas England, Kaiser
Ms. Samantha Furutani, CVS
Ms. Natalie Hamada, DHRD
Mr. Galen Haneda, HMSA
Ms. Monica Kim, VSP
Ms. Meagan Kini-Ho, HMSA
Ms. Mae Kishimoto, HSTA-Retired

Ms. Joey Lee, HDS
Mr. Chris Letoto, HMSA
Ms. Joni Lozano, CVS
Ms. Charina Masatsugu, Kaiser
Ms. Denise Mercil, Securian
Dr. Christopher Miura, Kaiser
Mr. Kurt Neuenfeld, CVS
Mr. Ezra Ng, HMSA
Ms. Taylor Relich, CVS
Mr. Dave Shiroma, Kaiser
Ms. Jenny Smith, Humana
Dr. Rodd Takiguchi, Kaiser
Mr. Troy Tomita, Kaiser
Dr. Vinh Tran, HDS
Anonymous

I. CALL TO ORDER

The meeting of the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) was called to order at 9:01 a.m. by Vice Chairperson Robert Yu, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, May 27, 2025.

II. REVIEW OF MINUTES – APRIL 22, 2025

The Board reviewed the draft minutes of April 22, 2025. Since there were no edits or objections by the Trustees, the minutes stand approved.

III. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:03 a.m. (Ferguson-Miyamoto/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 9:07 a.m.

Vice Chairperson Yu reported that during Executive Session, the Board

- Approved a commitment of funds to an alternative risk premia fund, subject to fee and contract negotiations.
- Approved a commitment of funds to a private equity fund, subject to contract negotiations.

IV. COMMITTEE REPORTS

A. Benefits Committee

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

- a. Kaiser Permanente Semi-Annual Utilization Report
- b. VSP Retiree Annual Utilization Report
- c. HDS Retiree Annual Utilization Report

Mr. Derek Mizuno summarized the Benefits Committee report related to these items.

2. Proposed HDS Plan Changes

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

Mr. Mizuno summarized the recommendation from the Benefits Committee.

MOTION was made and seconded to approve the Benefits Committee's recommendation to cover 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. (Tui/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Mr. Mizuno informed the Board that EUTF staff will not adjust the active employee premiums for the plan year July 1, 2025 – June 30, 2026 and will pay the additional premiums from excess funds.

HSTA VB Active Employee and Supplemental True Implant Benefit Change

Mr. Mizuno summarized the recommendation from the Benefits Committee.

MOTION was made and seconded to approve the Benefits Committee's

recommendation to add a “true” implant benefit and remove 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. (Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

3. Kaiser Permanente Senior Advantage Plan Part D Threshold
Mr. Mizuno summarized the Benefits Committee report noting that the EUTF Board is not federally required to increase the annual out-of-pocket (OOP) prescription drug threshold to \$2,100 per calendar year in 2026 from the current \$2,000. Kaiser is able to retain the \$2,000 OOP for the EUTF and HSTA VB Kaiser Permanente Senior Advantage plans in 2026.

4. Proposed CVS Prescription Drug Plan Change
Mr. Mizuno summarized the recommendation from the Benefits Committee.

MOTION was made and seconded to approve the Benefits Committee’s recommendation to add a 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. (Tui/Wataru) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

5. 2025 Segal Retiree Annual Report
Mr. Mizuno summarized Segal’s annual review of the retiree plans.

V. OLD BUSINESS

- A. New Secretary-Treasurer (Employer Trustee) Effective July 1, 2025
Mr. Mizuno informed the Board that they can select Secretary-Treasurer from the employer trustees today for a July 1, 2025 effective date.

MOTION was made and seconded to appoint Trustee Sabrina Nasir as Secretary-Treasurer of the Board effective July 1, 2025. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

- B. Claims Audit Report – PSG Prescription Claims Audit of CVS/SilverScript for Active Employees July 1, 2021 – June 30, 2022 and Retirees January 1, 2021 – December 31, 2022
Mr. Mizuno noted that PSG presented the claims audit report at the last board meeting. The revised reports include two additional columns to show amounts previously paid and the remaining amounts to be paid by CVS/SSI. Mr. Mizuno also noted that the CVS rebate finding represents amounts that CVS overpaid. EUTF will refund CVS the overpayment amounting to \$34,997.

Trustee Ryan Yamane entered the meeting at 9:22 a.m., during the presentation.

- C. 2025 EUTF Related Legislation
Mr. Mizuno noted that the EUTF bill was signed into law as Act 054. SB1651 and HB250 related to posting of board materials three business days prior to the board meeting and appointment of two EUTF representatives to a utilization management working group,

respectively, have not become law.

IV. COMMITTEE REPORTS (continued)

B. Investment Committee

1. Quarterly Performance Report – Q1 2025

Mr. Colin Bebee, Meketa Investment (Meketa), presented the first-quarter performance report. The OPEB Trust finished the quarter at \$8.6 billion, down -0.10% (net of fees), underperforming the policy benchmark which returned 0.8%. Since inception (June 23, 2011), the portfolio has returned 7.1% (net of fees) and is exceeding the actuarial return target of 7%. In the first quarter, systematic trend following within diversifying strategies and private equity within aggressive growth were the primary sources of underperformance.

The EUTF Trust Fund finished the quarter at \$534.6 million, up 0.4% for the quarter (net of fees). Since inception (October 1, 2013), the portfolio has returned 3.7% (net of fees).

2. Quarterly Private Equity Report and Annual Portfolio Review – Q4 2024

Mr. David Okamoto summarized the Investment Committee report related to the fourth-quarter 2024 private equity performance report and annual asset class review.

3. Quarterly Private Credit Report – Q4 2024

This report was included for informational purposes only and was not discussed at the meeting.

4. Quarterly Private Real Assets Report – Q4 2024

This report was included for informational purposes only and was not discussed at the meeting.

5. Total Portfolio Expected Return Update

Mr. Okamoto noted that Meketa and EUTF staff performed a review of the portfolio noting that the EUTF portfolio remains appropriately positioned to meet its 7% return objective over the long-term. EUTF staff has been executing the transition in-line with the Evolving Policy Plan with the goal of achieving the long-term strategic allocation on or around the beginning of calendar year 2027.

VI. REPORTS

A. EUTF Benefits Consultant (Segal)

1. Quarterly Plan Performance Report – March 31, 2025

2. Quarterly Performance Guarantee Report – March 31, 2025

3. Compliance News

Mr. Steve Murphy, Segal Consulting, summarized the reports.

B. Administrator

1. Meetings with Legislators and Unions

2. Staffing Update

3. Training

Mr. Mizuno summarized personnel changes.

C. EUTF Managers' and Program Specialists' Reports

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. Outreach & Training
 - c. 2025 Active Open Enrollment
 - d. 2025 Retiree Special Open Enrollment
2. Information Systems (IS)
 - a. EUTF Benefits Administration System (BAS) Project
 - b. New Call Center Phone System
 - c. Enrollment Counts
3. Eligibility and Enrollment Report
 - a. Audits Currently in Progress
 - b. Point in Time Reconciliation Audits
 - c. Recurring Audits
4. Health and Wellness Report
 - a. Worksite Wellness
 - b. Preventive Health
 - c. Chronic Disease Management
5. Financial Services Branch (FSB)
 - a. FSB Performance Data
 - b. Refunds and Medicare Part B Overpayments Status
 - c. EUTF Collections
 - d. Financial Statements as of March 31, 2025

D. Carrier Reports

1. CVS Caremark
 2. SilverScript
 3. Hawaii Dental Service (HDS)
 4. Hawaii Medical Service Association (HMSA)
 5. Humana
 6. Kaiser Health Foundation
 7. Securian
 8. Verdegard Hawaii (formerly known as HMA)
 9. Vision Service Plan (VSP)
- Ms. Stacia Baek and Ms. Joey Lee, HDS, introduced Dr. Vinh Tran, HDS Dental Director.

III. EXECUTIVE SESSION (continued)

The Board meeting recessed and moved into Executive Session at 9:52 a.m.

The regular meeting reconvened at 10:03 a.m.

Vice Chairperson Yu reported that during Executive Session, the Board reviewed and discussed the April 22, 2025 minutes. Since there were no edits or objections, the minutes stand approved.

VII. NEXT MEETING

Tuesday, June 24, 2025, 9:00 a.m. – Administrative and Benefits Committee Reports and

retiree premiums effective January 1, 2026.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:04 a.m. (Wataru/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-5)

APPROVED on June 24, 2025.

Documents Distributed:

1. Draft Board Minutes for April 22, 2025. (7 pages)
2. Memorandum to EUTF BOT from EUTF Benefits Committee, regarding Benefits Committee Report-CONFIDENTIAL, dated May 20, 2025, Redacted Version. (3 pages)
3. Memorandum to BOT from Administrator, regarding Claims Audit Report – PSG Prescription Drug Claims Audit of CVS/SilverScript for Active employees July 1, 2021 – June 30, 2022 and retirees January 1, 2021 – December 31, 2022, dated May 20, 2025. (1 page)
4. EUTF, Active Employee and Non-Medicare Retiree Prescription Drug Plans Administered by CVS Caremark, PBM Engagement Summary of CVS, Period Reviewed: Active Employees July 1, 2021 – June 30, 2022, Non-Medicare Retirees: January 1, 2021 – December 31, 2022, prepared by PSG, Final Report Issued: December 2024. (7 pages)
5. EUTF, Retiree EGWP Prescription Drug Plans Administered by SilverScript, PBM Engagement Summary of SilverScript, Period Reviewed: January 1, 2021 – December 31, 2022, prepared by PSG, Final Report Issued: December 2024. (5 pages)
6. EUTF Legislative Update, dated May 21, 2025. (2 pages)
7. Memorandum to EUTF BOT from Investment Committee, regarding May 19, 2025 Investment Committee Meeting Report, dated May 19, 2025. (2 pages)
8. EUTF, YTD Contract Plan Experience Report, Contract Year to Date through March 31, 2025, prepared by Segal Consulting, dated May 27, 2025. (42 pages)
9. Memorandum to BOT EUTF from Segal Consulting, regarding Segal Reports – Compliance News, dated May 27, 2025. (8 pages)
10. Administrator's Monthly Report to the Board for April 12 – May 16, 2025, dated May 16, 2025. (1 page)
11. Memorandum to BOT from Member Services Branch Manager, regarding April - May 2025 Member Services Operations Report, dated May 16, 2025. (6 pages)
12. Memorandum to BOT from Interim Information Systems Chief, regarding April 2025 – May 2025 Information Systems (IS) Operations Report, dated May 16, 2025. (9 pages)
13. Memorandum to Administrator from Eligibility Specialist regarding April – May 2025 Eligibility and Enrollment Report, dated May 16, 2025. (2 pages)
14. Memorandum to EUTF BOT from Health and Wellness Specialist regarding April – May Health and Wellness Specialist Report, dated May 16, 2025. (4 pages)
15. Memorandum to BOT from EUTF Financial Management Officer regarding April 2025 – May 2025 Financial Services Branch (FSB) Report, dated May 16, 2025. (15 pages)
16. CVS/Caremark Monthly Carrier Report for April 2025 dated May 1, 2025. (2 pages)
17. SilverScript Monthly Carrier Report for April 2025 dated May 1, 2025. (3 pages)
18. HDS Monthly Carrier Report for April 2025 dated May 9, 2025. (2 pages)
19. HMSA Monthly Carrier Report for April 2025 dated May 8, 2025. (4 pages)
20. Humana Monthly Carrier Report for April 2025 dated May 8, 2025. (3 pages)
21. Kaiser Permanente Monthly Carrier Report for April 2025 dated May 08, 2025. (2 pages)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

May 27, 2025 Minutes

Page 7

22. Securian Financial Monthly Carrier Report for April 2025 dated May 7, 2025. (1 page)
23. Verdegard Hawaii Monthly Carrier Report for April 2025 dated May 7, 2025. (2 pages)
24. VSP Vision Care Monthly Carrier Report for April 2025 dated May 9, 2025. (6 pages)