

# HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

## Minutes of the Board of Trustees

Tuesday, November 25, 2025

### TRUSTEES PRESENT

Mr. James Wataru, Chairperson  
Mr. Osa Tui, Vice Chairperson  
Ms. Jacqueline Ferguson-Miyamoto  
Mr. Christian Fern

Mr. Wesley Machida (via video conference)  
Ms. Maureen Wakuzawa  
Mr. Ryan Yamane (via video conference)  
Mr. Robert Yu (via video conference)

### TRUSTEES ABSENT

Ms. Sabrina Nasir, Secretary-Treasurer

Ms. Audrey Hidano

### ATTORNEY

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

### EUTF STAFF (in person, unless otherwise noted)

Ms. Donna Tonaki, Assistant Administrator  
Mr. David Okamoto, Chief Investment Officer  
Ms. Amy Cheung, Financial Management Officer  
Ms. Jessica McDonald, Member Services Branch Manager  
Mr. Brett Tatsuno, Investment Officer (via video conference)  
Mr. Michael Gadach (via video conference)

Mr. Justin Isobe (via video conference)  
Ms. Emily Kaimulua (via video conference)  
Ms. Katie Matsushima  
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. Mary Fedor, Segal Consulting  
Mr. Quentin Gunn, Segal Consulting

Ms. Tammy Halter, Segal Consulting  
Mr. Stephen Murphy, Segal Consulting  
Mr. Richard Ward, Segal Consulting

### OTHERS PRESENT (via video conference)

Mr. Blaise Aquino, HMSA  
Ms. Stacia Baek, HDS  
Ms. Sandra Benevides, CVS  
Mr. Su Chai, Kaiser  
Mr. Francis Cuenca, CVS  
Ms. Kjirsten Elsner, Securian  
Mr. Cyril Espanoll, With Intelligence  
Ms. Sami Furutani, CVS  
Mr. Galen Haneda, HMSA  
Ms. Monica Kim, VSP  
Ms. Meagan Kini-Ho, HMSA  
Ms. Mae Kishimoto, HSTA-Retired  
Mr. Shaughn Knoell, Kaiser  
Ms. Joey Lee, HDS

Mr. Chris Letoto, HMSA  
Mr. Larry Loew, Humana  
Mr. Neal Nakashima, Marsh  
Mr. Ezra Ng, HMSA  
Ms. Kelsi Quon, HMSA  
Ms. Taylor Relich, CVS  
Ms. Michelle Sasaki, HMSA  
Mr. Dave Shiroma, Kaiser  
Ms. Jenny Smith, Humana  
Dr. Rodd Takiguchi, Kaiser  
Mr. Troy Tomita, Kaiser  
Ms. Marita Trammell, HMSA  
Appellant (x2)

## 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 9:00 a.m. by Chairperson James Wataru, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, November 25, 2025.

## II. REVIEW OF MINUTES – OCTOBER 31, 2025

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The Board reviewed the draft minutes of October 31, 2025. Since there were no edits or objections by the Trustees, the minutes stand approved.

## III. NEW BUSINESS

### A. EUTF Fiduciary Liability Insurance

Mr. Neal Nakashima, Marsh USA, presented Marsh's recommendation to renew the fiduciary liability insurance policy with RLI Insurance Company (RLI) noting that the premiums have not increased. This is positive as plan assets increased by 15% and premiums remained the same. Mr. Nakashima always reviewed benchmarking peer analysis on limit of liability and retention. Most peers have a higher limit and recommend that EUTF increase its liability by \$10M and in the future may want to increase its retention.

MOTION was made and seconded to bind fiduciary liability insurance coverage with RLI and Hudson Insurance Company with an additional \$10M limit of liability as recommended by Marsh for the period December 15, 2025 to December 15, 2026. (Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

### B. 2026 Medicare Part B Premiums

Ms. Amy Cheung presented a memo dated November 14, 2025, regarding the 2026 Medicare Part B premiums, noting that the standard Medicare Part B premium has been increased from \$185.00 in 2025 to \$202.90 in 2026 (9.7%).

## IV. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:10 a.m.

(Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

The regular meeting reconvened at 10:04 a.m.

Chairperson Wataru reported that during Executive Session, the Board:

- Approved three appeals for late new hire open enrollment.
- Approved issuance of RFP 26-001 Dental, RFP 26-002 Vision, and RFP 26-003 Life Insurance Benefits
- Approved a commitment of funds to a private real assets fund, subject to contract negotiations.
- Approved a commitment of funds to a private equity fund, subject to contract negotiations.
- Approved a commitment of funds to a trend following portfolio, subject to fee and contract negotiations.
- Reviewed and discussed the October 31, 2025 minutes. Since there were no edits or objections, the minutes stand approved.

## V. COMMITTEE REPORTS

### A. Benefits Committee

Ms. Donna Tonaki presented the Benefits Committee Report.

1. Carrier Utilization Reports for the period ending June 30, 2025

a. Kaiser Permanente Semi-Annual Utilization Report

Ms. Tonaki noted that EUTF active employee claims per member per month (PMPM) trend for the period ending June 30, 2025 of 0.6% was significantly lower than the Kaiser BOB related to a decrease in inpatient admissions, lesser complexity admissions, and an increase in higher utilization of brand and specialty prescriptions. EUTF non-Medicare retiree claims PMPM trend for the six-month period ending June 30, 2025 was 0.7% which was slightly lower than Kaiser BOB.

b. HMSA Semi-Annual Utilization Report

Ms. Tonaki noted that the EUTF active employee claims PMPM trend for the period ending June 30, 2025 was 1.8% which was significantly lower than the HMSA BOB related to a decrease in high cost claims, a reduction in surgical admissions, and high cost of antineoplastic and neuromuscular agent specialty drug spend. EUTF non-Medicare and Medicare retiree claims PMPM trend for the six-month period ending June 30, 2025 was 5.9% and 1.1%, respectively, both of which were slightly higher than HMSA BOB.

c. HDS Active Annual Utilization Report

Ms. Tonaki noted that the EUTF and HSTA VB active employee claims trend PMPM for the period ending June 30, 2025 of 1.7% was slightly lower than HDS BOB and active members continue to have higher rates of diagnostic and preventive services than HDS BOB.

d. VSP Active Annual Utilization Report

Ms. Tonaki noted that the EUTF and HSTA VB active employee claims trend PMPM for the period ending June 30, 2025 of 2.5% was slightly higher than VSP BOB driven by contact lenses utilization and frame cost.

2. 2025 Segal Active Annual Report

Ms. Tonaki summarized Segal's analysis of medical, dental and vision plans noting to consider a true benefit for white crowns on posterior teeth and increasing the lifetime maximum for orthodontic services under the dental plan in line with other State peers, and consider increasing the frame and contact allowances under the vision plan in line with other State peers.

B. Investment Committee

1. Quarterly Performance Report – Q3 2025

Mr. Colin Bebee, Meketa Investments, presented the Quarterly Performance Report. The OPEB Trust finished the quarter at \$9.8 billion, gaining 5.3% and 8.4% (net of fees) for the quarter and 1-year, respectively, underperforming the benchmark of 6.3% and 9.3%, respectively, primarily attributed to private equity within the aggressive growth class. Since inception (June 23, 2011), the portfolio has returned 7.5% (net of fees) versus the policy benchmark return of 7.6%.

Mr. Bebe reported that the EUTF Trust Fund finished the quarter at \$500.2 million, gaining 3.2% and 3.8% (net of fees) for the quarter and 1-year, respectively. Since inception (October 1, 2013), the portfolio has returned 4.0% (net of fees).

2. Quarterly Private Equity Report – Q2 2025  
This report was included for informational purposes and was not discussed at the meeting.
3. Quarterly Private Credit Report – Q2 2025  
This report was included for informational purposes and was not discussed at the meeting.
4. Quarterly Private Real Assets Report – Q2 2025  
This report was included for informational purposes and was not discussed at the meeting.

## VI. REPORTS

### A. EUTF Benefits Consultant (Segal)

1. Quarterly Plan Performance Report – September 30, 2025  
Ms. Tammy Halter, Segal Consulting, presented the Quarterly Plan Performance Report.
2. Quarterly Performance Guarantee Report – September 30, 2025  
Ms. Steve Murphy, Segal Consulting, presented the Quarterly Performance Guarantee Report.

### B. Administrator

1. Meetings with Legislators and Unions
2. Staffing Update
3. Training  
Mr. Tonaki provided an update regarding tax clearance certificates from the carrier's subcontractors, noting that:
  - CVS and SilverScript utilize one subcontractor and are working on obtaining the tax clearance certificate, and
  - HMSA provided ten tax clearances from their subcontractors and are pending a tax clearance certificate from one subcontractor.

### C. EUTF Managers' and Program Specialists' Reports

1. Member Services Branch (MSB)
  - a. MSB Data
  - b. Outreach & Training
  - c. 2026 Retiree Open Enrollment
2. Information Systems (IS)
  - a. EUTF Benefits Administration System (BAS) Project
  - b. Risk and Vulnerability Assessment
  - 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

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- 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. 2025 Financial Statements Audit
    - e. Financial Statements as of July 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)

VII. NEXT MEETING

Tuesday, December 16, 2025, 9:00 a.m. – Investment Committee Report and premiums for active employees July 1, 2026.

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:23 a.m. (Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/ Employee-Beneficiary Trustees-5)

APPROVED on December 16, 2025.

Documents Distributed:

- 1. Draft Board Minutes for October 31, 2025. (5 pages)
- 2. 2025 EUTF Fiduciary Liability Insurance Proposal, prepared by Marsh, dated October 28, 2025. (4 pages)
- 3. 2025 EUTF Fiduciary Liability – Excess Insurance Proposal, prepared by Marsh, dated November 15, 2025. (6 pages)
- 4. Memorandum to BOT from EUTF Financial Management Officer, regarding 2026 Medicare Part B Premiums, dated November 14, 2025. (1 page)
- 5. Memorandum to EUTF BOT from Benefits Committee, regarding November 19, 2025 Benefits Committee Meeting, dated November 25, 2025, Redacted Version. (2 pages)
- 6. Memorandum to EUTF BOT from Investment Committee, regarding November 18, 2025 Investment Committee Meeting Report, dated November 18, 2025. (1 page)
- 7. EUTF YTD Contract Plan Experience Report, Contract Year to Date through September 30, 2025, prepared by Segal Consulting, dated November 25, 2025. (42 pages)
- 8. Memorandum to BOT EUTF from Segal Consulting, regarding Performance Guarantee Reporting for the Third Quarter of 2025, dated November 14, 2025. (23 pages)
- 9. Administrator’s Monthly Report to the Board for October 17 – November 13, 2025, dated November 13, 2025. (1 page)

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10. Memorandum to BOT from Assistant Administrator, regarding October – November 2025 Member Services Operations Report, dated November 13, 2025. (5 pages)
11. Memorandum to BOT from Interim Information Systems Chief, regarding October 2025 – November 2025 Information Systems (IS) Operations Report, dated November 13, 2025. (9 pages)
12. Memorandum to Administrator from Eligibility Specialist regarding October – November 2025 Eligibility and Enrollment Report, dated November 13, 2025. (2 pages)
13. Memorandum to EUTF BOT from Health and Wellness Specialist regarding October – November Health and Wellness Specialist Report, dated November 13, 2025. (4 pages)
14. Memorandum to BOT from EUTF Financial Management Officer regarding October 2025 – November 2025 Financial Services Branch (FSB) Report, dated November 13, 2025. (15 pages)
15. CVS/Caremark Monthly Carrier Report for October 2025 dated November 3, 2025. (4 pages)
16. SilverScript Monthly Carrier Report for October 2025 dated November 1, 2025. (2 pages)
17. HDS Monthly Carrier Report for October 2025 dated November 10, 2025. (2 pages)
18. HMSA Monthly Carrier Report for October 2025 dated November 6, 2025. (5 pages)
19. Humana Monthly Carrier Report for October 2025 dated November 10, 2025. (3 pages)
20. Kaiser Permanente Monthly Carrier Report for October 2025 dated November 10, 2025. (2 pages)
21. Securian Financial Monthly Carrier Report for October 2025 dated November 5, 2025. (1 page)
22. Verdegard Hawaii Monthly Carrier Report for October 2025 dated November 10, 2025. (2 pages)
23. VSP Vision Care Monthly Carrier Report for October 2025 dated November 5, 2025. (6 pages)