

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, December 16, 2025

TRUSTEES PRESENT

Mr. James Wataru, Chairperson	Ms. Jacqueline Ferguson-Miyamoto
Mr. Osa Tui, Vice Chairperson	Mr. Christian Fern (excused at 10:00 a.m.)
Ms. Sabrina Nasir, Secretary-Treasurer (via video conference, excused at 10:19 a.m.)	Mr. Wesley Machida (via video conference)
Mr. Ryan Yamane (via video conference)	Ms. Maureen Wakuzawa
	Mr. Robert Yu

TRUSTEES ABSENT

Ms. Audrey Hidano

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF (in person, unless otherwise noted)

Ms. Donna Tonaki, Assistant Administrator	Mr. Marvin Judd (via video conference)
Mr. David Okamoto, Chief Investment Officer	Ms. Emily Kaimuloa (via video conference)
Ms. Amy Cheung, Financial Management Officer (via video conference)	Ms. Katie Matsushima
Ms. Jessica McDonald, Member Services Branch Manager	Ms. Lara Nitta (via video conference)
Mr. Michael Gadach (via video conference)	Ms. Desiree Yamauchi
Mr. Justin Isobe (via video conference)	

CONSULTANTS (via video conference)

Mr. Tyler Brotz, Segal Consulting	Ms. Tammy Halter, Segal Consulting
Ms. Shelley Chun, Segal Consulting	Mr. Stephen Murphy, Segal Consulting
Ms. Mary Fedor, Segal Consulting	Mr. Richard Ward, Segal Consulting
Mr. Quentin Gunn, Segal Consulting	

OTHERS PRESENT (via video conference)

Ms. Stacia Baek, HDS	Ms. Joey Lee, HDS
Mr. Kevin Balaod, With.Intelligence	Mr. Chris Letoto, HMSA
Ms. Sandra Benevides, CVS	Ms. Denise Mercil, Securian
Ms. Jessica Benson, Verdegard	Mr. Kurt Neuenfeld, CVS
Mr. Su Chai, Kaiser	Mr. Ezra Ng, HMSA
Mr. Thomas England, CVS	Ms. Kelsi Quon, HMSA
Ms. Sami Furutani, CVS	Ms. Taylor Relich, CVS
Mr. Galen Haneda, HMSA	Ms. Michelle Sasaki, HMSA
Mr. Gabe Hellinger, Humana	Mr. Dave Shiroma, Kaiser
Ms. Monica Kim, VSP	Ms. Jenny Smith, Humana
Ms. Mae Kishimoto, HSTA-Retired	Mr. Troy Tomita, Kaiser
Mr. Shaughn Knoell, Kaiser	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 9:00 a.m. by Chairperson James Wataru, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, December 16, 2025.

II. REVIEW OF MINUTES

A. November 25, 2025

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B. December 1, 2025

The Board reviewed the draft minutes of November 25 and December 1, 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 9:02 a.m. (Tui/Yu) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Trustee Christian Fern was excused from the meeting at 10:00 a.m., during Executive Session.

The regular meeting reconvened at 10:11 a.m.

Chairperson Wataru reported that during Executive Session, the Board:

- Approved two appeals for late new hire open enrollment.
- Approved premium rates for active employees for HMSA, Kaiser, HDS, VSP, and Securian effective July 1, 2026.
- Approved a commitment of funds to a private real assets fund, subject to contract negotiations.
- Approved a commitment of funds to a private credit fund, subject to contract negotiations.
- Reviewed and discussed the November 25 and December 1, 2025 minutes. There was an edit to the December 1, 2025. The minutes stand approved for the November 25, 2025 minutes, and approved as amended for the December 1, 2025 minutes.

IV. NEW BUSINESS

A. Self-Funded Prescription Drug (Administered by CVS) Rates for Active Employees

Effective July 1, 2026

Mr. Steve Murphy, Segal Consulting, presented the self-funded prescription drug premiums for active employees effective July 1, 2026 on the current methodology (i.e. separate prescription drug premiums for the HMSA 75/25 PPO members. The composite rate increase for the 90/10 PPO, 80/20 PPO and HMO plans is 15.2%, 75/25 PPO plan is 4.9% and HSTA VB PPO plan is 8.1% and 10.3% for all prescription drug plans.

MOTION was made and seconded to approve the self-funded prescription drug rates for active employees effective July 1, 2026 as recommended by Segal. (Tui/Yu) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-4)

B. Self-Funded Supplemental Medical and Prescription Drug Rates (Administered by Verdegard) for Active Employees Effective July 1, 2026

Mr. Murphy presented Segal's recommendation of the active employee supplemental medical and prescription drug plan premiums for July 1, 2026 – June 30, 2027.

MOTION was made and seconded to approve the self-funded supplemental medical and prescription drug rates for active employees effective July 1, 2026 as recommended by Segal. (Yu/Tui) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-)

Trustee Nasir was excused from the meeting at 10:19 a.m.

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C. Board Meeting Schedule for Fiscal Year 2027

Ms. Donna Tonaki presented the proposed Board and Committee Schedule for fiscal year 2027.

V. COMMITTEE REPORTS

A. Investment Committee

1. Private Equity Pacing Update

Mr. David Okamoto presented a pacing plan update for Private Equity (PE). As of 6/30/25, EUTF's PE allocation is 11.1% versus an interim target of 12% and long-term target of 15%. The recommended pacing plan for 2026 is \$400 million across 3-5 partnerships, ranging from \$75-125 million each. This represents an increase of \$40 million over the 2025 target. In addition, up to \$75 million in up to five co-investments is being recommended, subject to availability and suitability, ranging from \$15-25 million each. This is consistent with last year's plan.

MOTION was made and seconded to approve the Investment Committee's recommendation of the 2026 Private Equity Pacing Plan. (Yu/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

2. Private Credit Pacing Update

Mr. Okamoto presented a pacing plan update for Private Credit (PC). As of 6/30/25, EUTF's PC allocation is 8.9% versus an interim target of 9.5% and long-term target of 10%. The recommended pacing plan for 2026 is \$400 million across 3-6 partnerships, ranging from \$75-150 million each. This represents an increase of \$50 million over the 2025 target.

MOTION was made and seconded to approve the Investment Committee's recommendation of the 2026 Private Credit Pacing Plan. (Yu/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

3. Private Real Assets Pacing Update

Mr. Okamoto presented a pacing plan update for Real Assets (RA). As of 6/30/25, EUTF's RA allocation is 9.0% versus an interim target of 10.5% and long-term target of 12%. The recommended pacing plan for 2026 is \$125 million across 2-5 partnerships, ranging from \$50-100 million each for real estate funds and \$50-75 million each for infrastructure funds. This represents a decrease of \$90 million relative to the 2025 target due to higher commitment activity in recent years.

MOTION was made and seconded to approve the Investment Committee's recommendation of the 2026 Private Real Assets Pacing Plan. (Yu/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

4. Investment Manager Due Diligence Update

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Mr. Okamoto presented a memorandum regarding the ongoing due diligence of existing investment managers. The Investment Policy Statement sets guidelines for manager monitoring, including periodic onsite due diligence meetings. EUTF staff and our investment consultants continue to meet with managers within the required frequency.

B. Administrative Committee

1. 2026 Legislative Proposal

Ms. Donna Tonaki summarized legislative proposal.

MOTION was made and seconded to approve the Administrative Committee's recommendation to submit a bill to amend Hawaii Revised Statutes 87A-24 to have the EUTF Board set the EUTF Assistant Administrator salary. (Tui/Yu) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

2. Personnel

Ms. Tonaki reported the Administrator's Annual Performance Expectations for the period of July 1, 2025 to June 30, 2026 was discussed.

VI. REPORTS

A. EUTF Benefits Consultant (Segal)

1. Compliance News

Mr. Murphy presented Segal's Report.

B. Administrator

1. Meetings with Legislators and Unions

2. Staffing Update

3. Training

Ms. Tonaki informed the Board that the IFEBP reports for the staff that attended this year's conference are included in the packets. Ms. Tonaki also advised that one tax clearance is pending from HMSCA's 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

b. Preventive Health

c. Chronic Disease Management

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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 August 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

Monday, January 12, 2026, 9:00 a.m. – July 1, 2025 Actuarial Valuation and June 30, 2025 Audited Financial Statements

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:27 a.m. (Tui/Yu)
The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-4)

APPROVED on January 12, 2026, as amended.

Documents Distributed:

1. Draft Board Minutes for November 25, 2025. (6 pages)
2. Draft Board Minutes for December 1, 2025. (1 page)
3. Memorandum to BOT EUTF from Segal Consulting, regarding 2026/2027 Active Prescription Drug Rates, dated December 5, 2025. (5 pages)
4. Memorandum to BOT EUTF from Segal Consulting, regarding 2026/2027 Active Supplemental Medical and Prescription Drug Plan Rates, dated December 5, 2025. (3 pages)
5. Memorandum to BOT from Assistant Administrator, regarding Board Meeting Schedule for Fiscal Year 2027, dated December 4, 2025. (2 pages)
6. Memorandum to EUTF BOT from Investment Committee, regarding December 9, 2025 Investment Committee Meeting Report, dated December 9, 2025. (1 page)
7. Memorandum to BOT EUTF from Segal Consulting, regarding Segal Reports – Compliance News, dated December 5, 2025. (16 pages)
8. Administrator's Monthly Report to the Board for November 14 – December 4, 2025, dated December 4, 2025. (17 pages)
9. Memorandum to BOT from Member Services Branch Manager, regarding November – December 2025 Member Services Operations Report, dated December 4, 2025. (6 pages)
10. Memorandum to BOT from Interim Information Systems Chief, regarding November 2025 – December 2025 Information Systems (IS) Operations Report, dated December 4, 2025. (9 pages)

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11. Memorandum to Administrator from Eligibility Specialist regarding November – December 2025 Eligibility and Enrollment Report, dated December 4, 2025. (2 pages)
12. Memorandum to EUTF BOT from Health and Wellness Specialist regarding November – December Health and Wellness Specialist Report, dated December 4, 2025. (5 pages)
13. Memorandum to BOT from EUTF Financial Management Officer regarding November 2025 – December 2025 Financial Services Branch (FSB) Report, dated December 4, 2025. (15 pages)
14. CVS/Caremark Monthly Carrier Report for November 2025 dated December 2, 2025.
(14 pages)
15. SilverScript Monthly Carrier Report for November 2025 dated December 1, 2025. (2 pages)
16. HDS Monthly Carrier Report for November 2025 dated December 8, 2025. (2 pages)
17. HMSA Monthly Carrier Report for November 2025 dated December 3, 2025. (4 pages)
18. Humana Monthly Carrier Report for November 2025 dated December 8, 2025. (3 pages)
19. Kaiser Permanente Monthly Carrier Report for November 2025 dated December 9, 2025.
(2 pages)
20. Securian Financial Monthly Carrier Report for November 2025 dated December 8, 2025.
(1 page)
21. Verdegard Hawaii Monthly Carrier Report for November 2025 dated December 8, 2025.
(2 pages)
22. VSP Vision Care Monthly Carrier Report for November 2025 dated December 8, 2025.
(6 pages)