

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Monday, January 12, 2026

TRUSTEES PRESENT

Mr. James Wataru, Chairperson	Ms. Jacqueline Ferguson-Miyamoto
Mr. Osa Tui, Vice Chairperson (via video conference)	Mr. Christian Fern (excused at 9:46 a.m.)
Ms. Sabrina Nasir, Secretary-Treasurer	Ms. Maureen Wakuzawa
Ms. Audrey Hidano	Mr. Robert Yu (via video conference, excused at 10:03 a.m.)

TRUSTEES ABSENT

Mr. Wesley Machida	Mr. Ryan Yamane
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ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF (in person, unless otherwise noted)

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

CONSULTANTS (via video conference, unless otherwise noted)

Mr. Tyler Brotz, Segal Consulting	Ms. Tammy Halter, Segal Consulting (in person)
Ms. Shelley Chun, Segal Consulting	Mr. Stephen Murphy, Segal Consulting
Ms. Mary Fedor, Segal Consulting	Mr. Joe Newton, GRS Consulting (in person)
Ms. Karli Fehrman, GRS Consulting (in person)	Mr. Lewis Ward, GRS Consulting (in person)
Mr. Quentin Gunn, Segal Consulting	Mr. Richard Ward, Segal Consulting (in person)

OTHERS PRESENT (via video conference)

Mr. Blaise Aquino, HMSA	Ms. Monica Kim, VSP
Ms. Joni Amato, Claim Technologies	Ms. Meagan Kini-Ho, HMSA
Ms. Stacia Baek, HDS	Ms. Joey Lee, HDS
Ms. Amy Bell, TELUS Health	Mr. Chris Letoto, HMSA
Ms. Sandra Benevides, CVS	Ms. Charina Masatsugu, Kaiser
Ms. Jessica Benson, Verdegard	Ms. Denise Mercil, Securian
Mr. Ty Bowers, CVS	Dr. Christopher Miura, Kaiser
Mr. Su Chai, Kaiser	Mr. Kurt Neuenfeld, CVS
Mr. Francis Cuenca, CVS	Mr. Ezra Ng, HMSA
Mr. Thomas England, Kaiser	Ms. Kelsi Quon, HMSA
Ms. Sami Furutani, CVS	Ms. Taylor Relich, CVS
Dr. Rupal Gohil, HMSA	Ms. Michelle Sasaki, HMSA
Mr. Galen Haneda, HMSA	Mr. Dave Shiroma, Kaiser
Mr. Gabe Hellinger, Humana	Ms. Jenny Smith, Humana
Mr. Ralph Kanetoku, KKDLY (in person)	Ms. Kristen Takamune, KKDLY (in person)
Ms. Lauren Kawajiri, LAO (in person)	Mr. Troy Tomita, Kaiser
Ms. Robyn Kawamura, KKDLY (in person)	

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 Monday, January 12, 2026.

II. REVIEW OF MINUTES

A. December 16, 2025

The Board reviewed the draft minutes of December 16, 2025. Ms. Donna Tonaki noted a correction on page 4, line 29: “Mr. Tonaki” should be changed to “Ms. Tonaki.” Since there were no other edits or objections by the Trustees, the amended minutes stand approved.

III. EXECUTIVE SESSION

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

The regular meeting reconvened at 9:21 a.m.

Chairperson Wataru reported that during Executive Session, the Board approved an appeal for late new hire open enrollment.

IV. NEW BUSINESS

A. Actuarial Valuation Report as of July 1, 2025

Mr. Joe Newton and Mr. Lewis Ward, Gabriel Roeder Smith & Company (GRS), presented the results of their July 1, 2025 actuarial valuation of the State and counties other post-employment benefits noting the positive results primarily due to lower than expected retiree healthcare premiums for January 1, 2026. The aggregate and State unfunded actuarial accrued liability and funded ratio as of July 1, 2025 was \$6.5 billion and \$5.4 billion, respectively, and 58.2% and 52.6%, respectively. GRS noted that the employers and EUTF have already adopted best practice policies in funding the long-term liability.

MOTION was made and seconded to accept the July 1, 2025 actuarial valuation aggregate employer report and the assumptions and methods contained therein. (Ferguson-Miyamoto/Hidano) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-5)

Trustee Christian Fern was excused from the meeting at 9:46 a.m.

B. Fiscal Year Ending June 30, 2025 Financial Statement Audit Report

Mr. Ralph Kanetoku, Ms. Robyn Kawamura, and Ms. Kristen Takamune, KKDLY LLC, presented the results of their audit of the EUTF’s financial statements for the fiscal year ending June 30, 2025 including the presentation to the Board, the audited financial statements, the Report to the Auditor, the Schedule of Changes in Fiduciary Net Position by Employer, the Report on Census Data, management letter, and noting the following:

- KKDLY issued unmodified opinions on the EUTF's financial statements, the Schedule of Changes in Fiduciary Net Position by Employer, and the Report on Census Data.
- There were no material weaknesses identified in internal control over financial reporting and no instances of noncompliance with other matters noted.
- There were two management letter comment, one similar to 2024, related to disposition

of net amounts due to employers and retirees. Ms. Donna Tonaki noted that EUTF staff is working with TELUS Health to streamline the refund process and correct issues related to the aging summary report and the EUTF staff continues to work with the State Department of Accounting and General Services to establish a recurring batch process to ensure timely and consistent handling of pre-tax refunds. The second comment was related to discrepancies in the census data provided to the EUTF's actuary by two employers, Honolulu Authority for Rapid Transportation (HART) and Kauai Department of Water Supply which resulted in discrepancies in the total OPEB liability amounts. These discrepancies have been fixed in the July 1, 2025 Actuarial Valuation Report.

Trustee Robert Yu was excused from the meeting at 10:03 a.m.

C. Claim Technologies, Inc., Claims Audit Report

1. Hawaii Medical Service Association for Active Employees July 1, 2023 – June 30, 2024 and Retirees January 1, 2023 – December 31, 2023 and Additional Performance Guarantee Validation for Active Employees July 1, 2022 to June 30, 2023 and Retirees January 1, 2022 – December 31, 2022
2. Hawaii Dental Service for Active Employees July 1, 2023 – June 30, 2024 and Retirees January 1, 2023 – December 31, 2023
3. Verdegard for Active Employees July 1, 2023 – June 30, 2023

Ms. Joni Amato, CTI, presented the results of their audits of Hawaii Medical Service Association (HMSA), Hawaii Dental Service (HDS) and Verdegard noting the following:

- Based on CTI's random sample, HMSA performed above the median for accurate payment frequency and accurate processing frequency and below the median for financial accuracy rate.
- The amounts on slide 5 for HMSA shows potentially overpaid or claims flagged for process improvement through electronic screening and target sampling. EUTF staff will work with CTI and HMSA to test additional samples from these categories (Duplicate Payments, Plan Exclusions, Deductible Over Accumulation, Provider Discount Error, Prior Authorization Error, and Eligibility Screening) to verify that there are no systemic issues. EUTF will utilize the post audit hours provided by CTI for this work.
- HMSA has paid EUTF \$156,086 related to a missed performance guarantees that was previously reported as met.
- HDS had three duplicate payments of \$1,442 which has been resolved. HDS proactively reviewed the complete file of potential duplicate payments and identified one additional overpayment of \$49.80
- HDS had no discrepancies with performance guarantees.
- Verdegard had two underpayments of \$96.20 which has been resolved
- Verdegard had no discrepancies with performance guarantees.

V. OLD BUSINESS

A. Benefits Administration System Implementation Status Update

Ms. Amy Bell, TELUS Health, provided an update on the implementation of the new Benefits Administration System.

VI. ADMINISTRATIVE COMMITTEE REPORT

A. Personnel

Ms. Donna Tonaki and Mr. Michael Chambrella informed the Board that the Administrative Committee discussed and recommended approval of the Draft Administrator's Performance Expectations for the period of July 1, 2026 through June 30, 2027. The Committee also discussed the Performance Review Summary for the period of January 1, 2023 through December 31, 2025, and the Board members will complete their evaluation by the February 17, 2026 Board meeting. The Committee also discussed and recommended approval of the Administrator's salary history and recommended the Administrator's salary at \$275,000, retroactive to July 1, 2025.

The Administrative Committee's recommendations were deferred to the next Board meeting.

VII. REPORTS

A. EUTF Benefits Consultant (Segal)

1. Five-Year Rate projections with Approved Active Employee Rates
2. Health Plan Cost Trend Survey

Ms. Tammy Halter presented Segal's Reports.

B. Administrator

1. Meetings with Legislators and Unions
2. Staffing Update
3. Training

Ms. Tonaki informed the Board that only CVS has not submitted tax clearance for their subcontractor. Trustee Hidano reiterated that tax clearances should be provided annually and Ms. Tonaki confirmed that tax clearances will be required annually going forward.

C. EUTF Managers' and Program Specialists' Reports

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. Outreach & Training
 - c. 2026 Active 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
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 September 30, 2025 and October 31, 2025

D. Carrier Reports

- 1. CVS Caremark
- 2. SilverScript
- 3. Hawaii Dental Service (HDS)
- 4. Hawaii Medical Service Association (HMSA)
- 5. Securian

Trustee Hidano questioned CVS's carrier report regarding Appeals, as the report stated that "The appeals data for November and December 2025 will be available on the January 2026 report" but they were not reported on the report dated January 1, 2026. Ms. Sandra Benevides responded that she'll follow-up.

III. EXECUTIVE SESSION (continued)

The Board meeting recessed and moved into Executive Session at 10:29 a.m.

The regular meeting reconvened at 10:42 a.m.

VIII. NEXT MEETING

Monday, February 17, 2026, 9:00 a.m. – EUTF related legislation

IX. ADJOURNMENT

The meeting was adjourned at 10:42 a.m. due to lack of quorum.

APPROVED on February 17, 2026.

Documents Distributed:

- 1. Draft Board Minutes for December 15, 2025. (6 pages)
- 2. EUTF, July 1, 2025 Retiree Healthcare Valuation (OPEB), prepared by GRS Consulting, dated January 2026. (12 pages)
- 3. EUTF Retiree Health Care Plan, Actuarial Valuation Report as of July 1, 2025, prepared by GRS Consulting. (64 pages)
- 4. Presentation to BOT EUTF, Financial Audit of the EUTF Year Ended June 30, 2025, prepared by KKDLY, dated January 12, 2026. (10 pages)
- 5. EUTF, Financial Statements and Supplementary Information (With Independent Auditor's Report), prepared by KKDLY, dated June 30, 2025. (97 pages)
- 6. EUTF, Communication with Those Charged with Governance, prepared by KKDLY, dated June 30, 2025. (10 pages)
- 7. EUTF, Schedule of Changes in Fiduciary Net Position by Employer (With Independent Auditors' Report Thereon), prepared by KKDLY, dated June 30, 2025 and 2024. (22 pages)
- 8. EUTF, Report on Census Data (With Independent Accountants' Report Thereon), prepared by KKDLY, dated June 30, 2025. (2 pages)
- 9. EUTF, Management Letter, prepared by KKDLY, dated June 30, 2025. (7 pages)
- 10. Claims Administration Audits, Hawaii Medical Service Association, Hawaii Dental Service and Verdegard, Presented to EUTF, prepared by Claim Technologies Incorporated, dated January 12, 2026. (14 pages)

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11. Comprehensive Claim Administration Audit, Executive Summary Report, EUTF Medical Plans, Administered by Hawaii Medical Service Association, Audit Period, Actives: July 1, 2023 through June 30, 2024, Retirees: January 1, 2023 through December 31, 2023, Additional Performance Guarantee Validation for: Actives: July 1, 2022 through June 30, 2023, Retirees: January 1, 2022 through December 31, 2022, prepared by Claim Technologies Incorporated, dated January 12, 2026. (11 pages)
12. Comprehensive Claim Administration Audit, Specific Findings Report, EUTF Medical Plans, Administered by Hawaii Medical Service Association, Audit Period, Actives: July 1, 2023 through June 30, 2024, Retirees: January 1, 2023 through December 31, 2023, Additional Performance Guarantee Validation for, Actives: July 1, 2022 through June 30, 2023, Retirees: January 1, 2022 through December 31, 2022, prepared by Claim Technologies Incorporated, dated January 12, 2026. (32 pages)
13. Comprehensive Claim Administration Audit, Executive Summary Report, EUTF Dental Plans, Administered by Hawaii Dental Service, Audit Period, Actives: July 1, 2023 through June 30, 2024, Retirees: January 1, 2023 through December 31, 2023, prepared by Claim Technologies Incorporated, dated January 12, 2026. (7 pages)
14. Comprehensive Claim Administration Audit, Specific Findings Report, EUTF Dental Plans, Administered by Hawaii Dental Service, Audit Period, Actives: July 1, 2023 through June 30, 2024, Retirees: January 1, 2023 through December 31, 2023, prepared by Claim Technologies Incorporated, dated January 12, 2026. (14 pages)
15. Comprehensive Claim Administration Audit, Executive Summary Report, EUTF Supplemental Medical Plan, Administered by Verdegard, Audit Period: July 1, 2023 through June 30, 2024, prepared by Claim Technologies Incorporated, dated January 12, 2026. (7 pages)
16. Comprehensive Claim Administration Audit, Specific Findings Report, EUTF Supplemental Medical Plan, Administered by Verdegard, Audit Period: July 1, 2023 through June 30, 2024, prepared by Claim Technologies Incorporated, dated January 12, 2026. (11 pages)
17. Hawaii EUTF – Ariel BAS Update, prepared by TELUS Health, dated January 12, 2026. (7 pages)
18. Memorandum to EUTF BOT from Administrative Committee, regarding Administrative Committee Report - January 6, 2026 Meeting, dated January 6, 2026. (1 page)
19. Draft EUTF Administrator Annual Performance Expectations for the Period of July 1, 2026 through June 30, 2027, Draft Version dated December 26, 2025. (2 pages)
20. EUTF Administrator, Performance Review Summary, Performance Period: January 1, 2021 to December 31, 2022. (2 pages)
21. EUTF Administrator, Performance Review Summary, Performance Period: January 1, 2023 to December 31, 2025, Draft Version. (2 pages)
22. EUTF Administrator's Salary History, Draft Version dated October 8, 2025. (1 page)
23. Memorandum to BOT EUTF from Segal Consulting, regarding Segal's 2026 Health Plan Cost Trend Survey, dated January 12, 2026. (39 pages)
24. Administrator's Monthly Report to the Board for December 5, 2025 – January 2, 2026, dated January 2, 2026. (1 page)
25. Memorandum to BOT from Member Services Branch Manager, regarding December 2025 – January 2026 Member Services Operations Report, dated January 2, 2026. (6 pages)
26. Memorandum to BOT from Interim Information Systems Chief, regarding December 2025 – January 2026 Information Systems (IS) Operations Report, dated January 2, 2026. (9 pages)
27. Memorandum to Assistant Administrator from Eligibility Specialist regarding December 2025– January 2026 Eligibility and Enrollment Report, dated January 2, 2026. (2 pages)

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28. Memorandum to EUTF BOT from Health and Wellness Specialist regarding December – January Health and Wellness Specialist Report, dated January 2, 2026. (6 pages)
29. Memorandum to BOT from EUTF Financial Management Officer regarding December 2025 – January 2026 Financial Services Branch (FSB) Report, dated January 2, 2026. (25 pages)
30. CVS/Caremark Monthly Carrier Report for December 2025 dated January 1, 2026. (2 pages)
31. SilverScript Monthly Carrier Report for December 2025 dated January 1, 2026. (2 pages)
32. HDS Monthly Carrier Report for December 2025 dated January 5, 2026. (2 pages)
33. HMSA Monthly Carrier Report for December 2025 dated January 2, 2026. (3 pages)
34. Securian Financial Monthly Carrier Report for December 2025 dated January 5, 2026. (1 page)