STATE OF HAWAIʻI
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
201 MERCHANT STREET, SUITE 1700
HONOLULU, HAWAII 96813
Oahu (808) 586-7390
Toll Free 1(800) 295-0089
www.eutf.hawaii.gov

May 13, 2026

NOTICE OF MEETING
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
BENEFITS COMMITTEE

DATE: May 19, 2026, Tuesday

TIME: 9:00 a.m.

PLACE: HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND (EUTF)
CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1700
HONOLULU, HAWAII

A G E N D A

OPEN SESSION PARTICIPATION IN PERSON, VIA TELECONFERENCE AND VIA TELEPHONE
(see below for teleconference and telephone details)

I. Call to Order

II. Review of Minutes – April 16, 2026

III. New Business
- A. Carrier Utilization Reports for the period ending December 31, 2025
  1. Kaiser Permanente Semi-Annual Utilization Report
  2. HMSA Semi-Annual Utilization Report
  3. Humana Annual Utilization Report
  4. HDS Retiree Annual Utilization Report
  5. VSP Retiree Annual Utilization Report
- B. Kaiser Permanente Proposed Plan Changes
- C. HMSA Primary Care Payment Model
- D. 2026 Segal Retiree Annual Report

IV. Executive Session
- A. CVS Inflation Cap and Trend Guarantees [Authorized under HRS 92-5(a)(8) and HRS 103D]

B. Review of Minutes – November 19, 2025 [Authorized under HRS 92-5(a)(8) and 92-9(b)]

V. Next Meeting – August 18, 2026
The next meeting agenda will include updates on HMSA's primary care payment model, care management model, and disease management programs.

VI. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Ms. Desiree Yamauchi at (808) 587-5434 or eutfadmin@hawaii.gov, as soon as possible, preferably at least 3 business days prior to the meeting. Requests made as early as possible have a greater likelihood of being fulfilled.

Testimony may be submitted prior to the meeting via email to eutfadmin@hawaii.gov or mailed or delivered in person to: Hawaii Employer-Union Health Benefits Trust Fund, Attn: Benefits Committee-Testimony, 201 Merchant Street, Suite 1700, Honolulu, HI 96813. Please include the word "testimony", the agenda item number, and subject matter following the address line. There is no deadline for submission of testimony, however, the EUTF requests that all written testimony be received no later than 9:00 a.m., one (1) business day prior to the meeting date in order to afford Board members adequate time to review materials.

To view the meeting and provide live oral testimony during the meeting, following are the Microsoft Teams Meeting details:

- **Join the meeting now** or copy and paste the following URL into your browser: https://teams.microsoft.com/l/meetup-join/19%3ameeting_NTBhM2Y4ODEtNWE2Ny00NDEzLWI0YjEtOGNjNzk2YjMzZDJh%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%221ec28820-992a-428a-a6a0-44c156209163%22%7d
  - If prompted, enter:
    - Meeting ID: 231 060 255 086 55
    - Passcode: 9qh9NP9A
  - For instructions to turn on live captions in Microsoft Teams, please click here.
- Dial-in number: +1 808-829-4853 United States, Honolulu (Toll)
  - Phone Conference ID: 452 695 783#

A listing of all documents included in the Board packet will be available at the EUTF website (eutf.hawaii.gov) through the Events Calendar three (3) business days prior to the meeting.

The Board packet can be accessed at the EUTF website (eutf.hawaii.gov) through the Events Calendar three (3) business days prior to the meeting. A copy of the packet will also be available for public inspection in the EUTF office at that time.

Please contact Ms. Desiree Yamauchi at (808) 587-5434 or eutfadmin@hawaii.gov if you have any questions.

Upon request, an electronic copy of this notice can be provided.

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Benefits Committee Meeting
Thursday, April 16, 2026

TRUSTEES PRESENT

Mr. Osa Tui, Chairperson
Mr. Robert Yu, Vice Chairperson
Ms. Jacqueline Ferguson-Miyamoto
Mr. Christian Fern
Mr. Brian Furuto
Mr. Aedward Los Banos (via video conference)
Ms. Kristen Sakamoto
Ms. Maureen Wakuzawa
Mr. James Wataru

TRUSTEES ABSENT

Ms. Sabrina Nasir

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Ms. Donna Tonaki, Assistant Administrator
Ms. Desiree Yamauchi
Ms. Lara Nitta

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

Mr. Tyler Brotz (via video conference)
Ms. Shelley Chun
Ms. Mary Fedor (via video conference)
Mr. Quentin Gunn
Ms. Tammy Halter
Mr. Stephen Murphy (via video conference)

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

Mr. Blaise Aquino, HMSA
Ms. Sandra Benevides, CVS (in person)
Mr. Ty Bowers, CVS (in person)
Mr. Francis Cuenca, CVS
Mr. Thomas England, Kaiser
Ms. Sami Furutani, CVS
Mr. Galen Haneda, HMSA
Mr. Gabe Hellinger, Humana
Ms. Meagan Kini-Ho, HMSA
Ms. Joey Lee, HDS
Mr. Kenneth Lee, Kaiser
Ms. Denise Mercil, Securian
Mr. Kurt Neuenfed, CVS (in person)
Mr. Ezra Ng, HMSA
Ms. Kelsi Quon, HMSA
Ms. Taylor Relich, CVS
Ms. Michelle Sasaki, HMSA
Mr. Troy Tomita, Kaiser
Ms. Valerie Wang, 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 Osa Tui, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Thursday, April 16, 2026.

II. REVIEW OF MINUTES – March 31, 2026

The Benefits Committee reviewed the draft minutes of March 31, 2026. Since there were no edits or objections by the Trustees, the minutes stand approved.

III. NEW BUSINESS

A. CVS/SilverScript Semi-Annual Utilization Reports for the period ending December 31, 2025

Mr. Ty Bowers and Ms. Taylor Relich of SilverScript presented the plan year-end report

for the EUTF Medicare retiree prescription drug plan (EGWP) noting a claims PMPM trend of 10.3% and -3.3% after subsidies and rebates. Cost drivers include dermatologic, antidiabetic, and oncology drug spend.

Ms. Sandra Benevides, Mr. Kurt Neuenfeld and Mr. Alex Rutter of CVS Health presented the plan year-end report for the EUTF non-Medicare retiree prescription drug plan and the mid-year report for the EUTF active prescription drug plans noting a claims PMPM trend of 17.3% for non-Medicare retirees and 11.7% for actives noting that cost drivers include antidiabetic, anti-obesity, and dermatologic spend. The non-Medicare retiree increase is also due to the enrollment clean up in 2024 caused by the new benefits administration system implementation in 2022.

B. CVS Prescription Drug Plan Changes

Ms. Shelley Chun, Segal Consulting, presented a recommendation for prior authorization (with embedded step therapy and quantity limit) for Rhapsido, the first oral medication that treats chronic spontaneous urticaria (CSU), due to the high cost of the drug, new to market status, and maintaining consistent utilization management (UM) across CSU therapies.

MOTION was made and seconded to recommend to the Board addition of prior authorization (with embedded step therapy and quantity limit) for Rhapsido under the EUTF active and non-Medicare retiree prescription drug plans administered by CVS effective July 1, 2026, with grandfathering. (Yu/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Ms. Benevides also presented CVS' retirement of UM for antiemetic and topical antifungal products as part of its UM optimization project. The removal would add cost but lessen member and prescriber burden. Because CVS will no longer offer UM for these products under the EUTF active and non-Medicare retiree plans effective July 1, 2026, no Board action is needed.

C. Segal Biennial Pharmacy Report (Part 1)

Ms. Chun, Ms. Tammy Halter, and Mr. Quentin Gunn, Segal Consulting, presented Part 1 of Segal's biennial pharmacy report. Segal presented its review of the active and retiree prescription drug plans through December 31, 2025, and gave an overview of trend observations, cost drivers, formulary, and CVS' biosimilar strategy.

IV. NEXT MEETING DATE – May 19, 2026

The next meeting agenda will include carrier utilization reports for the period ending December 31, 2025, retiree plan changes, and Segal annual retiree report.

V. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 10:34 a.m. (Yu/Wataru) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-5)

Documents Distributed:

1. Draft Benefits Committee Minutes for March 31, 2026. (3 pages)

2. Memorandum to Benefits Committee from Program Specialist, regarding 4/16/26 Benefits Committee Meeting – Reference Sheet – Confidential, dated April 16, 2026, Redacted Version. (3 pages)
3. RxInsights, EUTF-Actives, Jan 2025 – Dec 2025, Prescription Drug Benefit Review, prepared by CVS Health, Redacted Version. (15 pages)
4. RxInsights, EUTF Non-Medicare Retiree Report, January – December 2025, Prescription Benefit Review, prepared by CVS Health, Redacted Version. (24 pages)
5. RxInsights, EUTF Medicare Retirees, Jan 2025 – Dec 2025, Prescription Benefit Review, prepared by CVS Health, Redacted Version. (26 pages)
6. Memorandum to EUTF Benefits Committee from Segal Consulting, regarding Recommendation to Implement Prior Authorization for Rhapsido (remibrutinib), dated April 16, 2026, Redacted Version. (2 pages)
7. Memorandum to Benefits Committee EUTF from CVS Health, regarding CVS Caremark Utilization Management Programs Retiring, dated April 16, 2026, Redacted Version. (1 page)
8. EUTF, Biennial Pharmacy Report, prepared by Segal Consulting, dated April 2026, Redacted Version. (31 pages)

CONFIDENTIAL

STATE OF HAWAIʻI
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
201 MERCHANT STREET, SUITE 1700
HONOLULU, HAWAII 96813
Oahu (808) 586-7390
Toll Free 1(800) 295-0089
www.eutf.hawaii.gov

May 19, 2026

TO: Benefits Committee

THROUGH: Donna Tonaki, Administrator

FROM: Lara Nitta, Program Specialist

SUBJECT: 5/19/26 Benefits Committee Meeting – Reference Sheet – **Confidential**

This provides a brief overview of the items presented at today's Benefits Committee meeting.

Carrier Utilization Reports. The per member per month (PMPM) trend is annual net cost divided by member enrollment divided by 12 months compared year over year (YoY) and is a good indicator of potential premium increases. Then, we look at the change in net cost and services/1,000 members to see if the trend is being driven by cost inflation, utilization, or both.

For non-Medicare retirees:

PMPM	2022	2023	2024	2025	YoY	BOB YoY	CAGR[4]	BOB CAGR[4]
Kaiser[1]	$704.88	$735.98	$857.16	$873.46	1.9%	[redacted]	7.4%	[redacted]
HMSA[2]	$453.66	$466.42	$556.31	$653.70	17.5%	[redacted]	**12.9%**	[redacted]
CVS[3]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[1] Driven by outpatient visits and drug spend. The benchmark used above is the Kaiser Permanente Hawaii region Health Plan population (non-demographically adjusted).
[2] Driven by inpatient and specialty drug spend. The benchmark used above is the HMSA Commercial population (non-demographically adjusted), and this PMPM trend comparison is a Strategic Plan measure.
[3] Driven by antidiabetic, anti-obesity, and dermatologic spend drug spend. The benchmark used above is made up of CVS government client groups (non-demographically adjusted), and this PMPM trend comparison (after rebates) is a Strategic Plan measure.
[4] Compound annual growth rate (CAGR) over three years.

For Medicare retirees:

PMPM	2022	2023	2024	2025	YoY	BOB YoY	CAGR[4]	BOB CAGR[4]
HMSA[1]	$869.55	$929.85	$1,016.52	$1,057.68	4.0%	[redacted]	**6.7%**	[redacted]
SSI[2]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Humana[3]	--	--	$630.98	$778.15	23.3%	--	--	--

[1] Driven by outpatient surgery and specialty drug spend. The benchmark used above is the HMSA Medicare Advantage population, and this PMPM trend comparison is a Strategic Plan measure.

[2] Driven by dermatologic, antidiabetic, and oncology drug spend. The benchmark used in the table is the SSI EGWP book of business, and this PMPM trend comparison (before subsidies and rebates) is a Strategic Plan measure.
[3] The benchmark used in the table is the Humana Medicare Advantage population. This is the first time Humana is reporting because enrollment has reached 100 members. Because enrollment is low, claims trend is volatile.
[4] Compound annual growth rate (CAGR) over three years.

For all retirees:

PMPM	2022	2023	2024	2025	YoY	BOB YoY	CAGR[3]	BOB CAGR[3]
HDS[1]	$35.97	$37.71	$39.44	$41.73	5.8%	[redacted]	5.1%	[redacted]
VSP[2]	$4.37	$4.55	$4.51	$4.64	2.9%	[redacted]	2.0%	[redacted]

[1] Driven by basic care benefit change to 80% coverage effective 1/1/25. The benchmark used above is the HDS 65+ book of business.
[2] Driven by eye exam utilization. The benchmark used above is the VSP National book of business.
[3] Compound annual growth rate (CAGR) over three years.

Kaiser Permanente Proposed Plan Changes. Kaiser is proposing the following enterprise-wide plan changes, both of which Segal recommends [redacted]:

1. 100% coverage of post-discharge non-emergency medical transportation (NEMT) under the retiree and active plans effective January 1, 2027 and July 1, 2027, respectively.
2. Changing the day supply limit for maintenance medications from 90 to 100 days under the KPSA plans only effective January 1, 2027.

2026 Segal Retiree Annual Report. The purpose of this report is for Segal to compare our plans with benchmarks from Western State peers to identify cost drivers and plan changes that we should consider in the future.

HMSA Primary Care Payment Model. HMSA has had a capitated payment model for primary care since 2018. HMSA has reported in the past that this has stabilized physician reimbursement and contributed to physician satisfaction with work. However, due to the decline in physician visits and appointment slots since COVID, HMSA will return to a fee for service (FFS) model for primary care effective July 1, 2026.

[redacted]

Cc: Steve Murphy, Segal
Tammy Halter, Segal
Shelley Chun, Segal
Tyler Brotz, Segal
Mary Fedor, Segal
Quentin Gunn, Segal

Hawaii Employer-Union Health Benefits Trust Fund

Cost and Utilization Summary

Retirees and Actives

Benefits Committee Meeting

05/19/2026

KAISER PERMANENTE®

Table of Contents

Non-Medicare Retirees

Includes Early Retirees and the Non-Medicare dependents of Retirees enrolled in KPSA

- Kaiser Permanente Senior Advantage (KPSA) members of the EUTF are not included in the costs and utilizations report.

KAISER PERMANENTE®

Executive Summary Non-Medicare Retirees

Overall Trend: $873.46 PMPM (+1.9%)

Overall costs increased 1.9% PMPM from CY 2024 to CY 2025. The increase was driven by higher Outpatient utilization and increased Brand and Specialty Pharmacy spending, offset by lower Inpatient costs due to fewer high-cost claimants.

Inpatient: $135.25 PMPM (-25.0%)

The 25% Inpatient cost decrease is driven primarily by the higher-costing claimants in CY 2024 falling off and a 23.0% reduction in Admissions / 1,000 in the current period.

Outpatient: $460.74 PMPM (+12.0%)

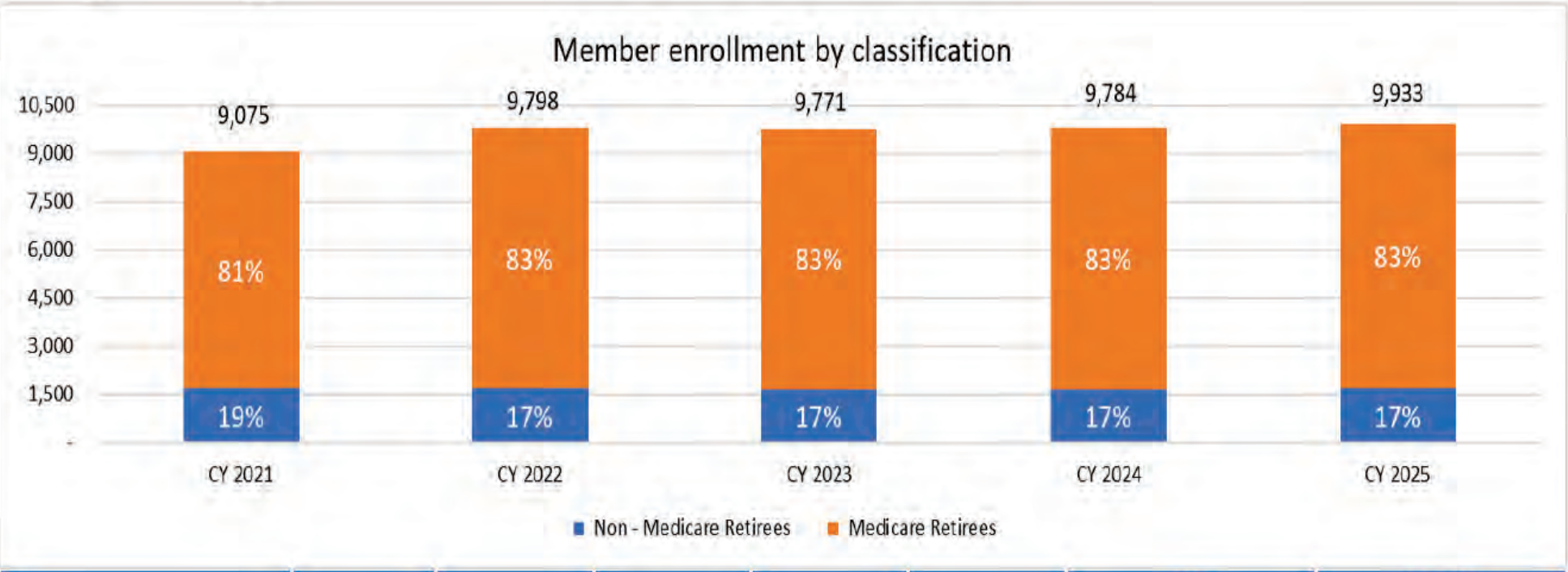
The 12% Outpatient increase is driven by a 3% increase in utilization and an 8.7% increase in the Average Costs per Visit.

Pharmacy: $130.53 PMPM (+9.1%)

The 9.1% increase in Pharmacy Spend is driven by increasing brand and specialty drug costs, with both Brand and Specialty seeing increases in Prescription counts.

Membership Overview by classification

83% (8,257 members) of the EUTF Retiree membership are in our community-rated Medicare Advantage plans marketed as Kaiser Permanente Senior Advantage. EUTF Retiree membership has been stable with a modest annual growth rate of 2.3% over the past four periods.



Members	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY % Change	CAGR CY 2021 - CY 2025
Non-Medicare Retirees*	1,690	1,698	1,659	1,654	1,676	1.3%	(0.2%)
Medicare Retirees	7,385	8,100	8,112	8,130	8,257	1.6%	2.8%
EUTF Retirees (Total)	9,075	9,798	9,771	9,784	9,933	1.5%	2.3%

*Non-Medicare dependents of Medicare Retirees are reflected in the Medicare Retiree count. However, the utilization and cost metrics included in the slides that follow are for Non-Medicare members, including those Non-Medicare dependents of Medicare Retirees.

CAGR = Compounded Annual Growth Rate | YoY = Year over Year

KAISER PERMANENTE®

Chronic Conditions Non-Medicare Retirees – CY 2025

EUTF Non-Medicare Retirees	% of Total Plan Members	Members / 1,000	Average Age	Paid Claim $PMPM
Asthma	10.4%	104.4	48.6	$1,699
COPD	1.4%	14.3	63.9	$5,239
Chronic Kidney Disease (CKD)	7.0%	69.8	63.2	$2,105
Congestive Heart Failure (CHF)	4.8%	48.3	62.7	$3,435
Depression	7.9%	78.8	48.0	$2,144
Coronary Artery Disease (CAD)	6.2%	62.1	60.8	$2,152
Diabetes	28.9%	288.8	60.4	$1,380
Cancer	10.3%	103.2	59.2	$3,155

EUTF Non-Medicare Retirees	Total Plan	Chronic Condition Members	% Difference
Average Age	54.1	56.2	4%
Paid Claim $PMPM	$873.46	$1,297.11	49%
Relative Risk Score*	[redacted]	[redacted]	[redacted]

Approximately 50.4% (845 members) of the total EUTF Non-Medicare Retiree members (1,676 members) have one or more chronic conditions listed to the left.

Chronic Conditions within EUTF Non-Medicare Retirees

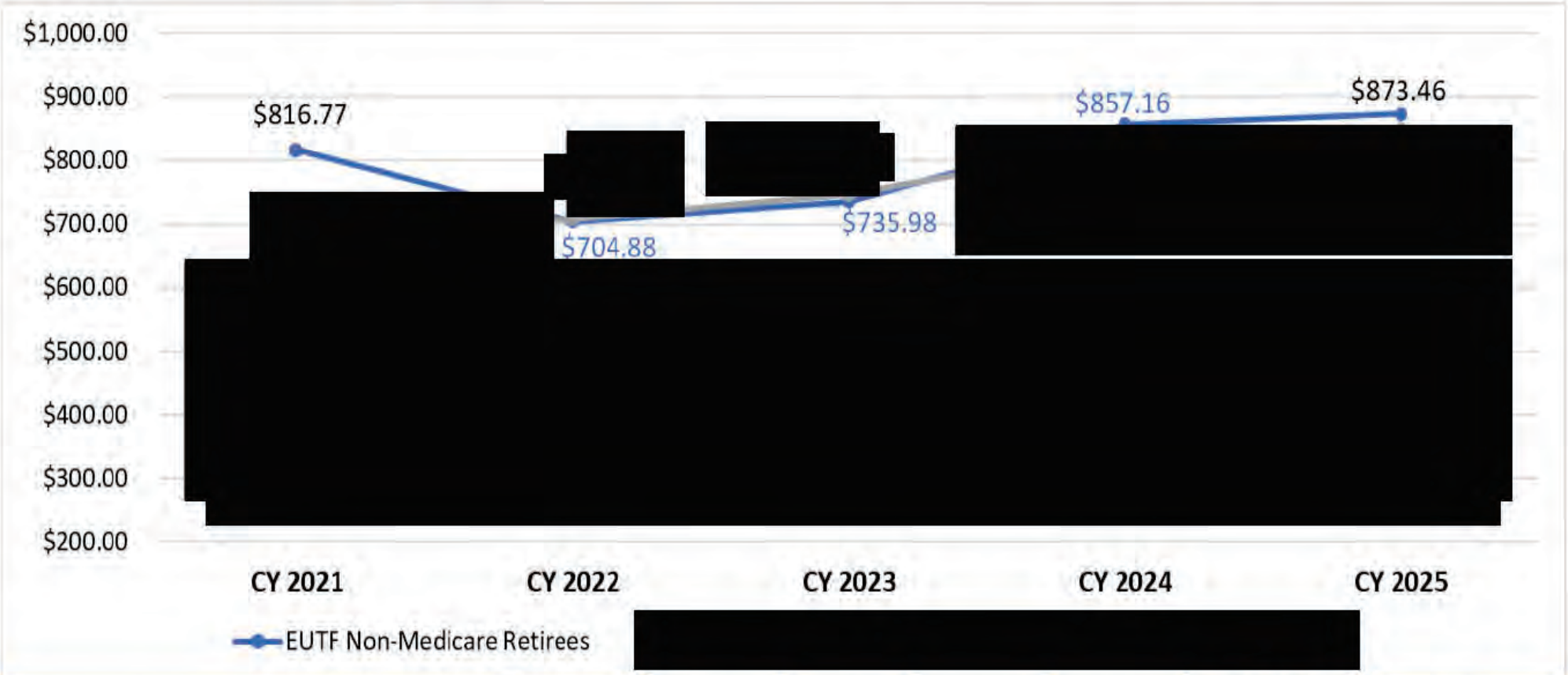
Higher Risk Population Among Chronic Condition Members: EUTF Non-Medicare Retiree members with chronic conditions average 56.2 years old compared to 54.1 for the total plan. In addition, the chronic condition members' average paid claims are 49% higher than the total plan average which indicates a costlier population that requires more intensive management.

Elevated Risk Scores Across Chronic Conditions: The relative risk score for chronic condition members is [redacted] a striking [redacted] higher than the total plan score of [redacted] COPD drives the highest per-member cost at $5,239 PMPM, followed by CHF at $3,435 and Cancer at $3,155, indicating these members require significantly more healthcare resources than the average member.

Diabetes Drives Volume, COPD Drives Intensity: While Diabetes affects the most members by far at 28.9% of the population (288.8 per 1,000), COPD members present the highest cost at $5,239 PMPM, followed by CHF at $3,435 PMPM—both well above the chronic condition average of $1,297.11. Approximately 50.4% of EUTF Non-Medicare Retiree members have one or more chronic conditions, reinforcing the fact that the Non-Medicare Retirees, by nature of who is enrolled in the plan, have inherently higher healthcare needs.

**Relative Risk Score: Based on the DxCG Grouper model and benchmarked against a commercial population. Not suitable for trending or cross-comparison. Chronic Conditions: Grouped from January 2026 data. Members may fall into multiple categories.*

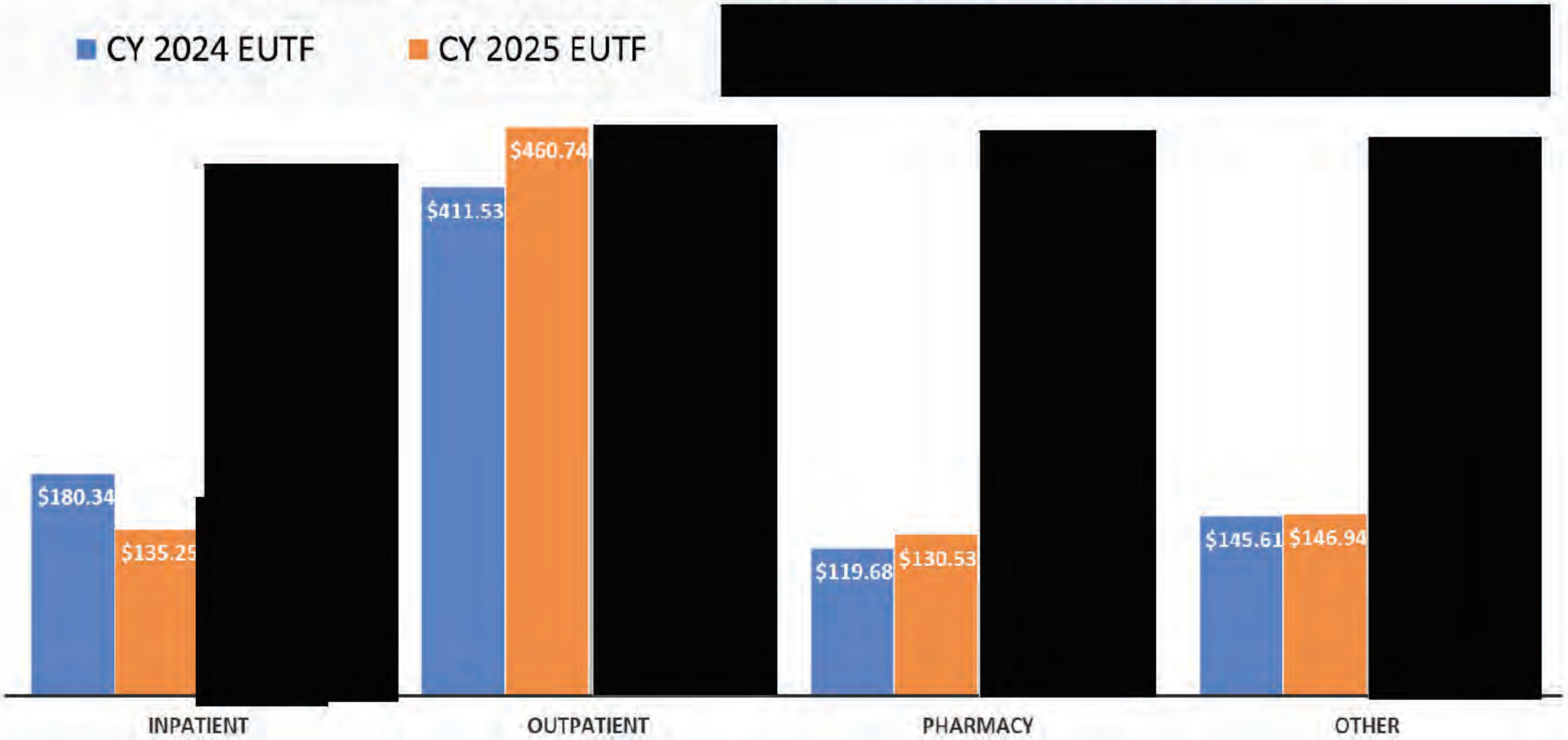
Paid Claims PMPM Comparison Non-Medicare Retirees



Paid Claims PMPM	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY % Change	CAGR CY 2021 - CY 2025
EUTF Non-Medicare Retirees	$816.77	$704.88	$735.98	$857.16	$873.46	1.9%	1.7%

*Health Plan Demographically Adjusted adjusts the Health Plan claims based on the gender / age mix of the Non-Medicare Retiree population.
**Health Plan comparison is not a retiree-only population, it is predominantly an active population and PMPM costs are therefore much lower.
Paid Claims PMPM figures are reported on a gross basis before large claim adjustments.

Non-Medicare Retirees compared to Health Plan Paid Claims by Category

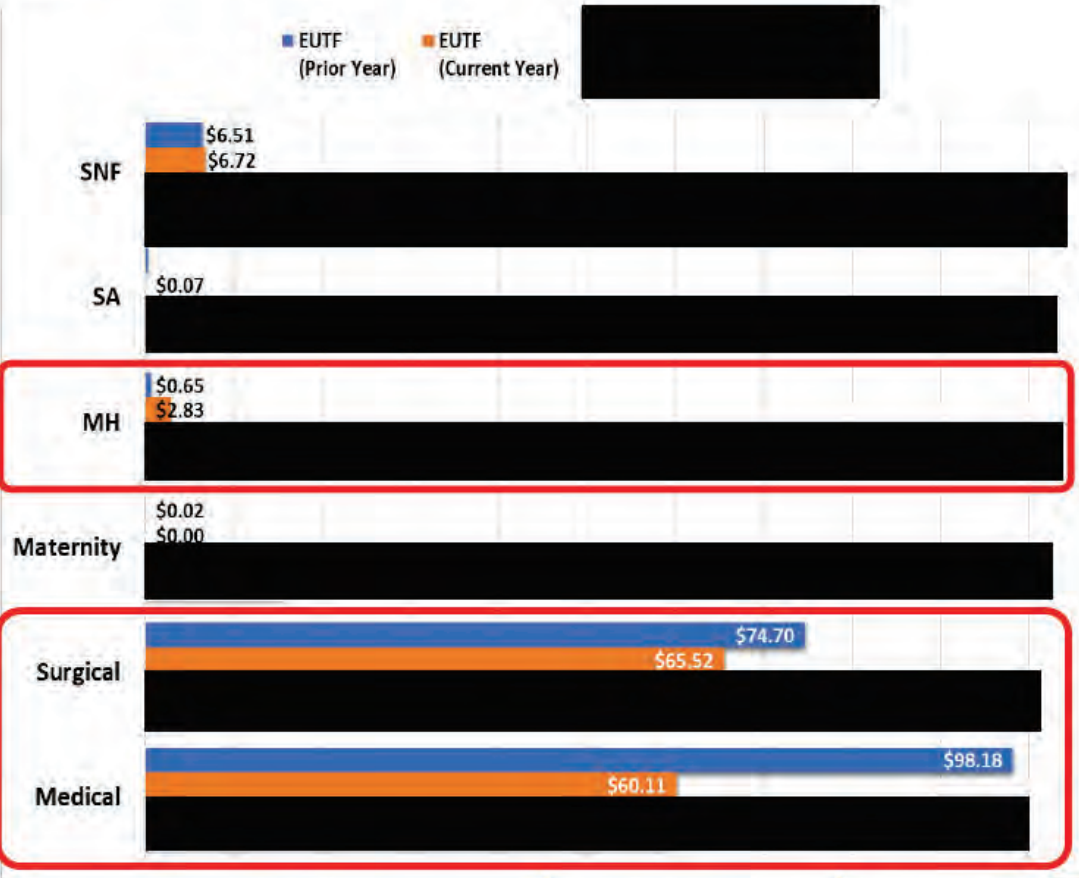


Major Service Categories	EUTF			
	CY 2024	CY 2025	YoY %	4-Yr CAGR
Inpatient	$180.34	$135.25	(25.0%)	(7.1%)
Outpatient	$411.53	$460.74	12.0%	3.1%
Pharmacy	$119.68	$130.53	9.1%	7.4%
Other	$145.61	$146.94	0.9%	3.2%

[redacted]

HI Health Plan Paid Claim PMPMs are demographically-adjusted.

Inpatient



Inpatient Cost Decrease

Inpatient costs declined significantly, driven primarily by reduced Medical and Surgical utilization.

- Combined Medical/Surgical admissions per 1,000 fell 25.4% (60.3 → 45.0), and days per 1,000 declined 15.8% (326.8 → 275.1).
- However, average length of stay increased 13.0% (5.4 → 6.1 days), suggesting that while fewer members were admitted, those who were admitted tended to have more complex or extended stays.
- In addition, impact from the high-cost claimant change contributed to the decrease in Inpatient PMPM. This was driven by a lower overall spend and a favorable change in the mix of high-cost claimants between CY 2024 and CY 2025.

Inpatient – Mental Health (MH)

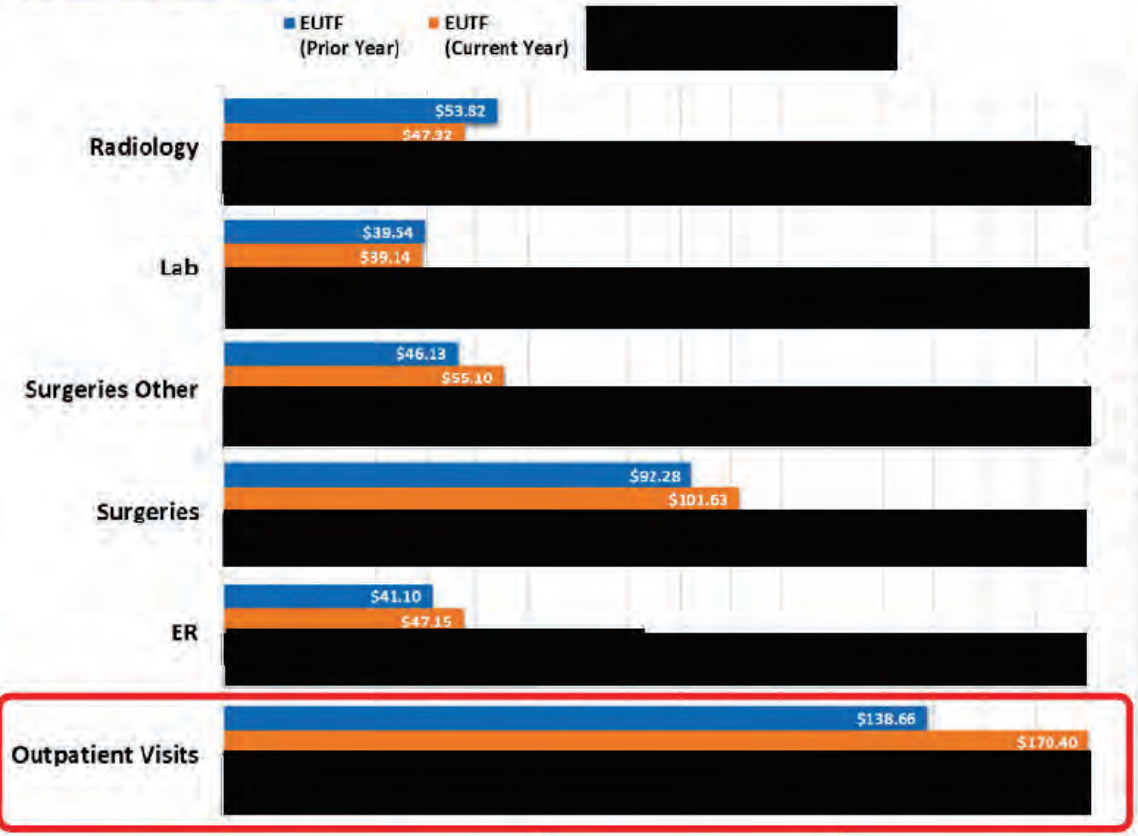
Mental Health showed large percentage increases for EUTF and Health Plan (EUTF +335.4%; [redacted] However, this category represents only ~2% of total inpatient spend.

Inpatient PMPM	EUTF Prior Year	EUTF Current Year	% Change
Medical	$98.18	$60.11	(38.8%)
Surgical	$74.70	$65.52	(12.3%)
Maternity	$0.02	$0.00	(100.0%)
Mental Health (MH)	$0.65	$2.83	335.4%
Substance Abuse (SA)	$0.28	$0.07	(75.0%)
Skilled Nursing Facility (SNF)	$6.51	$6.72	3.2%
Total	**$180.34**	**$135.25**	**(25.0%)**

[redacted]

KAISER PERMANENTE®

Outpatient



Outpatient Visits – Mental Health

Mental Health visits account for 10.6% of the Outpatient Visits. While it does not represent a significant portion of your total costs, Mental Health Outpatient increase represented 12.3% of the Outpatient Visit $PMPM increase.

Mental Health Visits / 1,000 has had a compounded average growth rate (CAGR) of 22.1% from CY 2022 to CY 2025. Health Plan had a CAGR of [redacted] over the same periods. More detail is within the appendix – Outpatient Metrics.

	EUTF			[redacted]
Mental Health	CY 2024	CY 2025	YoY %	[redacted]
Visits / 1,000	636.3	743.5	16.8%	[redacted]
Average Cost per Visit	$ 233.50	$ 262.82	12.6%	[redacted]
% of Mental Health visits through Telehealth	64.4%	66.7%	2.3%	[redacted]

Outpatient Visits – Emergency Room

ER costs increased by 14.7% driven by a 3.8% increase in Visits / 1,000 and 10.5% increase in Average Costs per Visit.

Low Intensity Emergency Room Visits / 1,000	CY 2024	CY 2025	YoY % Chg
EUTF Non-Medicare Retirees	10.6	15.3	44.3%
[redacted]	[redacted]	[redacted]	[redacted]

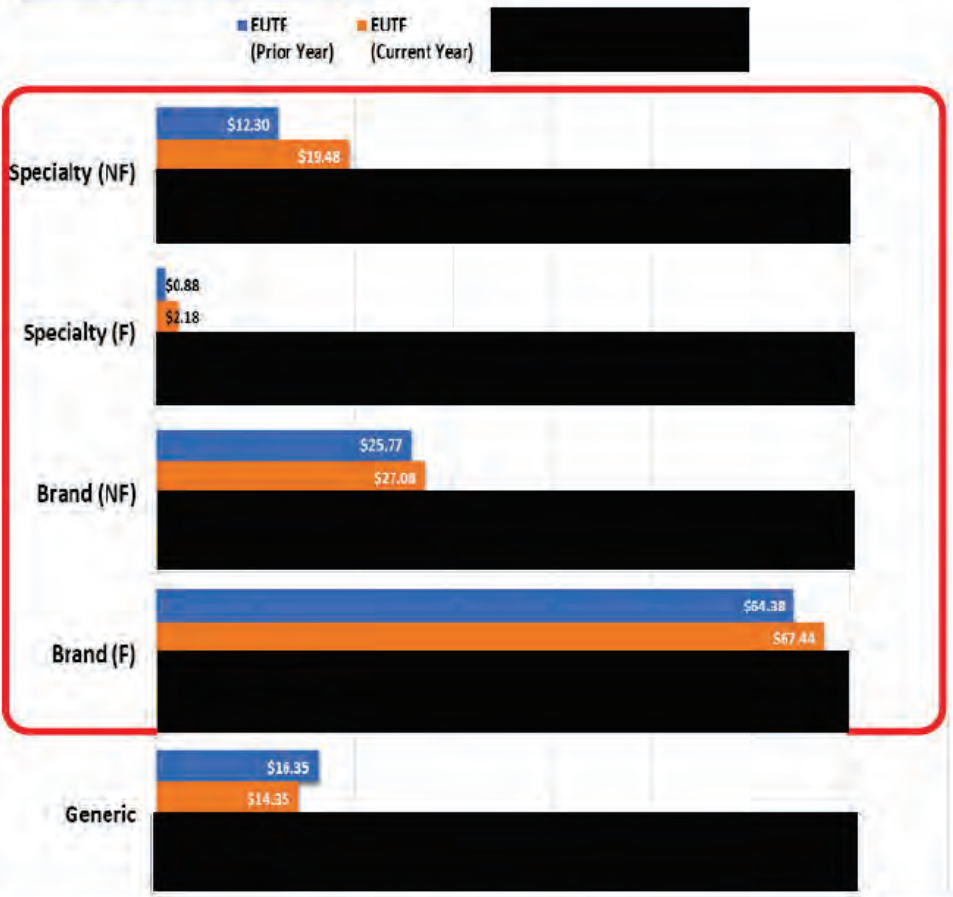
Outpatient PMPM	EUTF Prior Year	EUTF Current Year	% Change
Outpatient Visits	$138.66	$170.40	22.9%
Emergency Room (ER)	$41.10	$47.15	14.7%
Surgeries	$92.28	$101.63	10.1%
Surgeries - Other	$46.13	$55.10	19.4%
Lab	$39.54	$39.14	(1.0%)
Radiology	$53.82	$47.32	(12.1%)
Total	**$411.53**	**$460.74**	**12.0%**

[redacted]

Surgeries – Other includes non-surgical services provided in an outpatient hospital or facility, including but not limited to dialysis treatment, hospital observation visits originating in the emergency room, some colonoscopies, mental health & substance abuse partial hospitalization.

KAISER PERMANENTE®

Pharmacy



Pharmacy Quick Hits

- **Generic Dispensing Rate: 88.4%** [HI Health Plan: [redacted]
- **Top 3 Therapeutic Classes (by spend)**
  - Endocrine (Diabetes Medications)
  - Dermatological (Dermatitis/Psoriasis)
  - Antineoplastics (Cancer)

Average Costs per Script	CY 2024	CY 2025	% Change
Generic	[redacted]	[redacted]	[redacted]
Brand	[redacted]	[redacted]	[redacted]
Specialty	[redacted]	[redacted]	[redacted]

Pharmacy Brand + Specialty $PMPM Cost Trend +12.4%

The increase in Brand and Specialty costs were driven by more prescription volume, which increased by 2.9% from 2,831 to 2,912.

Class of Prescriptions	CY 2024	CY 2025	% Change
Brand	[redacted]	[redacted]	1.9%
Specialty	[redacted]	[redacted]	131.8%
Total Brand + Specialty	[redacted]	[redacted]	2.9%

The Specialty prescription growth was driven primarily by treatments for Immune Thrombocytopenia (ITP), Cancer-related conditions (Renal Cell Carcinoma and Cancer-related neutropenia support), Moderate-to-Severe Plaque Psoriasis, and Chronic Hepatitis B, which together represented 16.5% of total pharmacy costs in CY 2025.

Pharmacy PMPM	EUTF Prior Year	EUTF Current Year	% Change
Generic	$16.35	$14.35	(12.2%)
Brand Formulary (F)	$64.38	$67.44	4.8%
Brand Non-Formulary (NF)	$25.77	$27.08	5.1%
Specialty Formulary (F)	$0.88	$2.18	147.7%
Specialty Non-Formulary (NF)	$12.30	$19.48	58.4%
Total	**$119.68**	**$130.53**	**9.1%**

[redacted]

Specialty Drug Impact – Non-Medicare Retirees

- Specialty Prescriptions increased slightly, however proportionally remain similar compared to CY 2024.
- The primary driver in Specialty continues to be Promacta, a medication to help increase platelet counts.

Reporting Period: January 1, 2025 - December 31, 2025

	[redacted]	PMPM	% of Total PMPM
Specialty		$21.66	16.6%
Brand		$94.52	72.4%
Generic		$14.35	11.0%
Total		**$130.53**	**100.0%**

Prior Period: January 1, 2024 - December 31, 2024

	[redacted]	PMPM	% of Total PMPM
Specialty		$13.18	11.0%
Brand		$90.15	75.3%
Generic		$16.35	13.7%
Total		**$119.68**	**100.0%**

Top 5 Specialty Drugs

Reporting Period: January 1, 2025 - December 31, 2025

Drug Name	Indications	[redacted]
PROMACTA (50 MG)	Persistent or Chronic (ITP)	
INLYTA	Renal Cell Carcinoma	
COSENTYX PEN	Moderate to Severe Plaque Psoriasis	
VEMLIDY	Chronic Hepatitis B Virus (HBV)	
GRANIX	Cancer	
Total		

Prior Period: January 1, 2024 - December 31, 2024

Drug Name	Indications	[redacted]
PROMACTA (50 MG)	Persistent or Chronic (ITP)	
PROMACTA (75 MG)	Persistent or Chronic (ITP)	
COPAXONE	Multiple Sclerosis (MS)	
VEMLIDY	Chronic Hepatitis B Virus (HBV)	
COSENTYX PEN	Moderate to Severe Plaque Psoriasis	
Total		

KP's approach to pharmacy and specialty utilization includes several integrated mechanisms.

- The primary control is **step therapy**, which encourages providers to start patients on lower-tier options like generics or preferred drugs. If these prove ineffective or cause side effects, higher-tier medications can then be prescribed.
- Additionally, **quantity limits** are placed on certain medications to prevent waste and misuse by restricting the amount a patient can receive over a specific timeframe.
- KP also conducts **drug utilization reviews** led by Pharmacy and Physician leadership to monitor prescribing patterns, identify inappropriate use, and pinpoint opportunities for improvement.
- Finally, **provider education and feedback** play a key role. Prescribers receive information comparing their prescribing patterns to clinical guidelines and peer benchmarks, helping align practices with evidence-based standards.

These combined strategies contribute to low specialty medication utilization and high generic dispensing rate.

Top Drug Classes: EUTF Non-Medicare Retirees and Health Plan

Top 5 Therapeutic Classes	Pharmacy Paid $PMPM		
	EUTF		[redacted]
	CY 2024	CY 2025	[redacted]
Endocrine (Diabetes Medications)	$32.53	$32.78	[redacted]
Dermatological (Dermatitis / Psoriasis)	$15.58	$25.21	[redacted]
Antineoplastics (Cancer Medications)	$27.99	$18.79	[redacted]
Hematological Agents (Blood Thinners & Blood Disorder Medications)	$16.35	$17.48	[redacted]
Anti-Infective Agents (Bacterial, Viral and Fungal Infections)	$6.19	$9.39	[redacted]

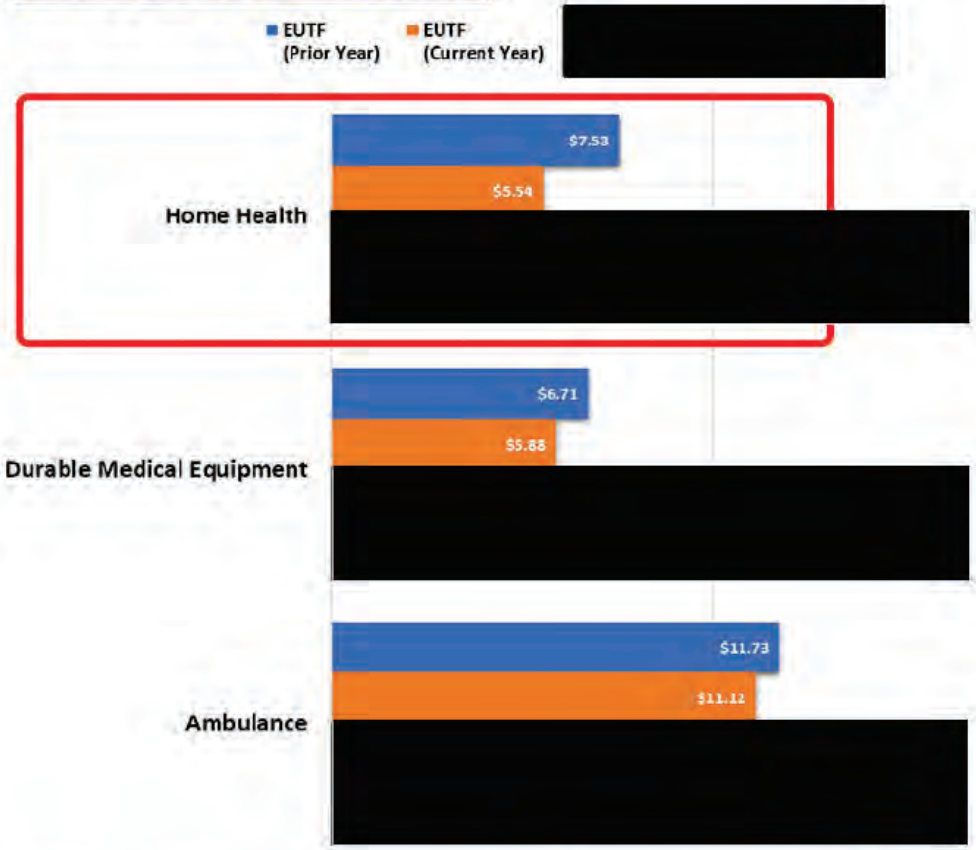
The Top 5 Therapeutic Classes provide insight into the types of care driving overall pharmacy spend.

- Endocrine (Diabetes Medications) remains the #1 class at $32.78 PMPM, essentially flat YoY. The low cost per day supply [redacted] paired with high PMPM reflects broad, sustained utilization, consistent with chronic diabetes management and continued use of newer agents like GLP-1s. EUTF spend in this class is more than [redacted] the Health Plan benchmark [redacted] pointing to higher diabetes prevalence within the early retiree population.
- Dermatological medications have surpassed Antineoplastics to become the second-largest class, climbing from $15.58 to $25.21 PMPM (+61.8%). With an average cost per script of [redacted] spend in this category is being driven by high-cost specialty therapies for autoimmune and inflammatory conditions, mirroring broader industry trends in specialty drug utilization.
- Antineoplastics (Cancer Medications) dropped from $27.99 to $18.79 PMPM (-32.9%). With cost per script still at [redacted] the decline appears to be driven more by shifts in utilization or member mix than by changes in unit cost.
- After adjusting Health Plan for age and gender mix, a large gap still exists between the Non-Medicare Retirees and Health Plan indicating that pharmacy cost drivers extend beyond age and gender mix alone.

Overall, pharmacy spend continues to be shaped by two dynamics: (1) consistent utilization in chronic categories such as diabetes, and (2) growing cost pressure from specialty medications, most notably within Dermatological and Antineoplastic therapies.

*Health Plan Pharmacy Paid $PMPM is adjusted based on the gender / age mix of the Non-Medicare Retiree population.

Other Services



Home Health Decrease

Lower Home Health costs were driven by a decrease in utilization.

Home Health care is Medically Necessary health care that can be safely and effectively provided in the home by healthcare personnel, with a KP Physician working with the member to develop a plan of treatment. It is typically utilized for post-surgical recovery, post-hospitalization transitions, wound care, IV therapy, and management of chronic conditions such as CHF, COPD, and diabetes.

Total Home Health Utilization per 1,000 Members

- EUTF: CY 2024: 30.1 / CY 2025: 24.5 -18.6%
- Health Plan: CY 2025: [redacted]

Average Costs per Home Health

- EUTF: CY 2024: [redacted]
- Health Plan: CY 2025: [redacted]

Other PMPM	EUTF Prior Year	EUTF Current Year	% Change
Ambulance	$11.73	$11.12	(5.2%)
Durable Medical Equipment	$6.71	$5.88	(12.4%)
Home Health	$7.53	$5.54	(26.4%)
ICM	$119.64	$124.40	4.0%
Total	**$145.61**	**$146.94**	**0.9%**

[redacted]

ICM: Integrated Care Management

KAISER PERMANENTE®

Medicare Retirees

Includes Medicare Retirees and the Medicare dependents of Early Retirees enrolled in Kaiser Permanente Senior Advantage (KPSA)

KAISER PERMANENTE®

Executive Summary Medicare Retirees - Utilization

The Medicare Retirees below includes all EUTF members enrolled in the Group Medicare KPSA plan. Overall EUTF Medicare Retiree utilization is closely aligned with the Health Plan (KPSA) benchmark across Inpatient, Outpatient, and Pharmacy metrics.

Inpatient Metrics

Inpatient utilization is in line with the Health Plan (KPSA) benchmark, [redacted]

Inpatient	Medicare Retirees (KPSA)		% Change	Health Plan (KPSA)
	CY 2024	CY 2025		CY 2025
Admits / 1,000	[redacted]			
Average Length of Stay (ALOS)				
Days / 1,000				

Outpatient Metrics

Overall outpatient utilization for EUTF Medicare Retirees declined -2.1% year-over-year [redacted] driven primarily by decreases in Outpatient Visits (-3.1%), Lab (-2.5%), and Radiology (-0.5%).

Total utilization remains closely aligned with the Health Plan (KPSA) benchmark [redacted] with all sub-categories tracking within a narrow range of the benchmark.

Visits / 1,000	Medicare Retirees (KPSA)		% Change	Health Plan (KPSA)
	CY 2024	CY 2025		CY 2025
Outpatient Visits	[redacted]			
Emergency Room				
Surgeries and Hospital Outpatient Other				
Lab				
Radiology				
Total				

Pharmacy Metrics

EUTF Medicare Retirees continue to demonstrate strong generic dispensing performance, with the Generic Dispensing Rate increasing to [redacted] — matching the Health Plan (KPSA) benchmark.

Generic Scripts/1,000 [redacted] and Brand & Specialty Scripts/1,000 [redacted] are also in line with the benchmark [redacted], indicating consistent prescribing patterns and effective utilization management within the EUTF Medicare population.

Pharmacy	Medicare Retirees (KPSA)		% Change	Health Plan (KPSA)
	CY 2024	CY 2025		CY 2025
Generic Dispensing Rate	[redacted]			
Generic Scripts / 1,000				
Brand and Specialty Scripts / 1,000				

Actives

- PY 2026 utilization metrics are annualized for comparison purposes based on 6 months of data (07/01/2025 – 12/31/2025), no trend was applied.

KAISER PERMANENTE®

Executive Summary Actives

[redacted]

Overall Trend: $556.33 PMPM (+1.1%)

The slight PMPM increase reflects a normalization after the atypically high costs and utilization among EUTF Actives in PY 2024. After normalizing in PY 2025, costs have continued to trend well compared to Health Plan through the first six months of PY 2026.

Inpatient: $85.83 PMPM (-3.4%)

The 3.4% decrease in Inpatient care for PY 2026 primarily stems from both a decrease in admissions and days / 1,000.

	EUTF PY 2025	EUTF PY 2026	% Change
Admits / 1,000	38.3	34.2	-10.7%
Average Length of Stay (ALOS)	5.1	5.2	2.0%
Days / 1,000	194.2	176.8	-9.0%

Outpatient: $308.85 PMPM (+2.9%)

2.9% increase is driven by slight increase in average costs per outpatient visit. [redacted]

	EUTF PY 2025	EUTF PY 2026	% Change
Visits / 1,000	10,036.6	10,006.4	-0.3%
Average Costs per Visit	$358.74	$367.45	2.4%

Pharmacy: $59.59 PMPM (-0.3%)

Pharmacy costs increased 10.7% from PY 2024 to PY 2025, driven by higher utilization of Brand (+9.4%) and Specialty (+20.1%) prescriptions. The slight 0.3% decrease in PY 2026 suggests that while PY 2025 was a high year, costs seem to be stable at this higher level. By comparison, [redacted]

PY 2026 utilization metrics are annualized for comparison purposes based on 6 months of data (07/01/2025 – 12/31/2025), no trend was applied.

EUTF Actives Maximum Out of Pocket (MOOP)

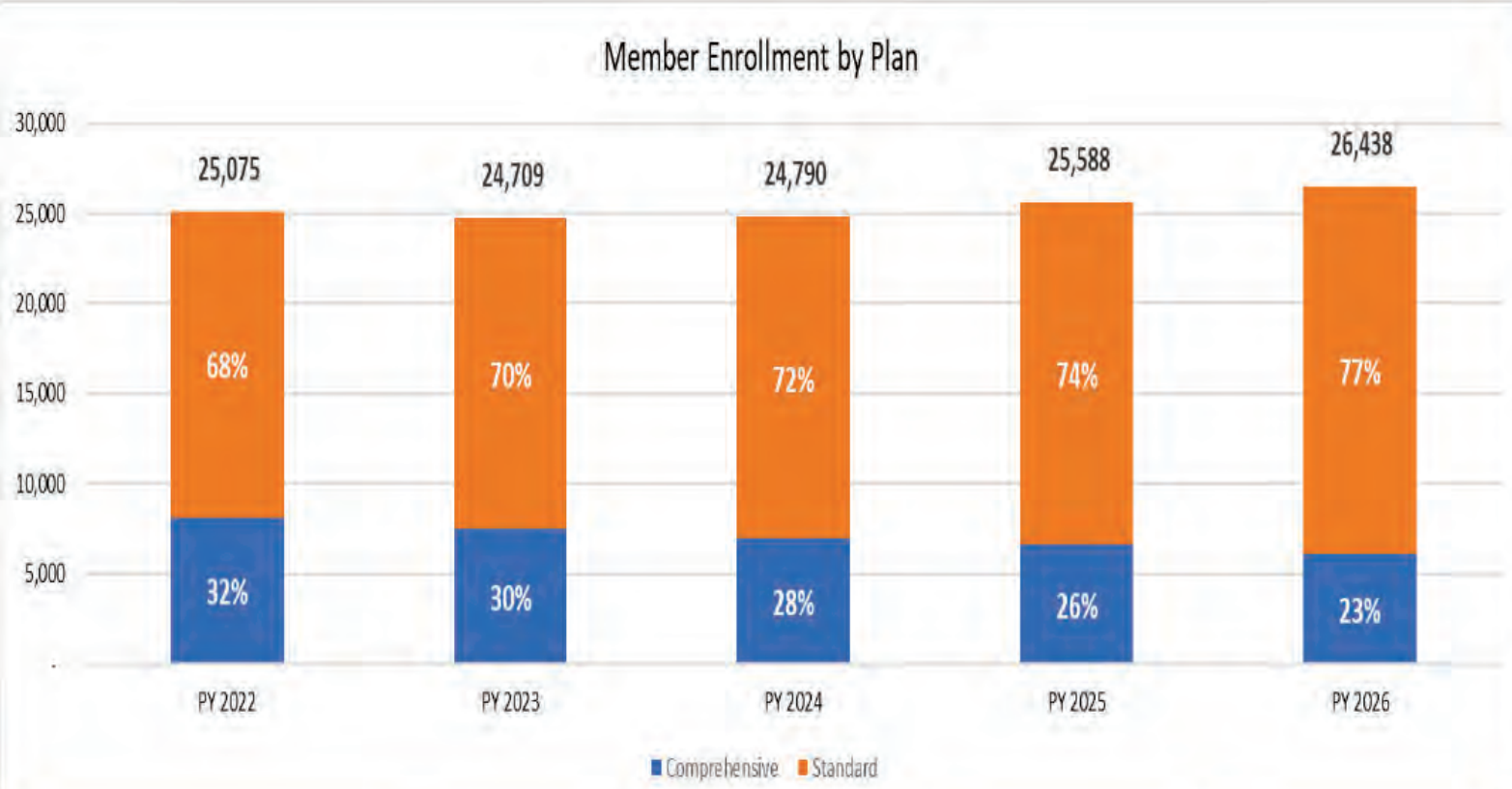
Maximum Out of Pocket (MOOP) Review	Comprehensive	Standard
MOOP Benefit	$2,000 / $6,000	$2,500 / $7,500
Members who reach MOOP (CY 2025)	[redacted]	[redacted]
Membership Snapshot	6,134	20,304
% of Membership who reach MOOP	[redacted]	[redacted]

MOOP attainment rates for both active plans are lower than expected, which is typically somewhere between [redacted]

- Comprehensive: [redacted] reflecting both the smaller plan footprint and the richer benefit design that slows out-of-pocket accumulation.
- Standard: [redacted] consistent with the higher cost-sharing structure that allows high-utilizers to reach the threshold more quickly despite the higher MOOP amount.

While the Comprehensive plan has a lower MOOP threshold ($2,000 vs. $2,500), the lower attainment rate reflects plan design dynamics; richer cost-sharing means members accumulate out-of-pocket spend more slowly. Both attainment rates are within expected ranges and do not indicate adverse selection or catastrophic claim concerns at this time.

Membership Overview Actives



Plan Membership Changes

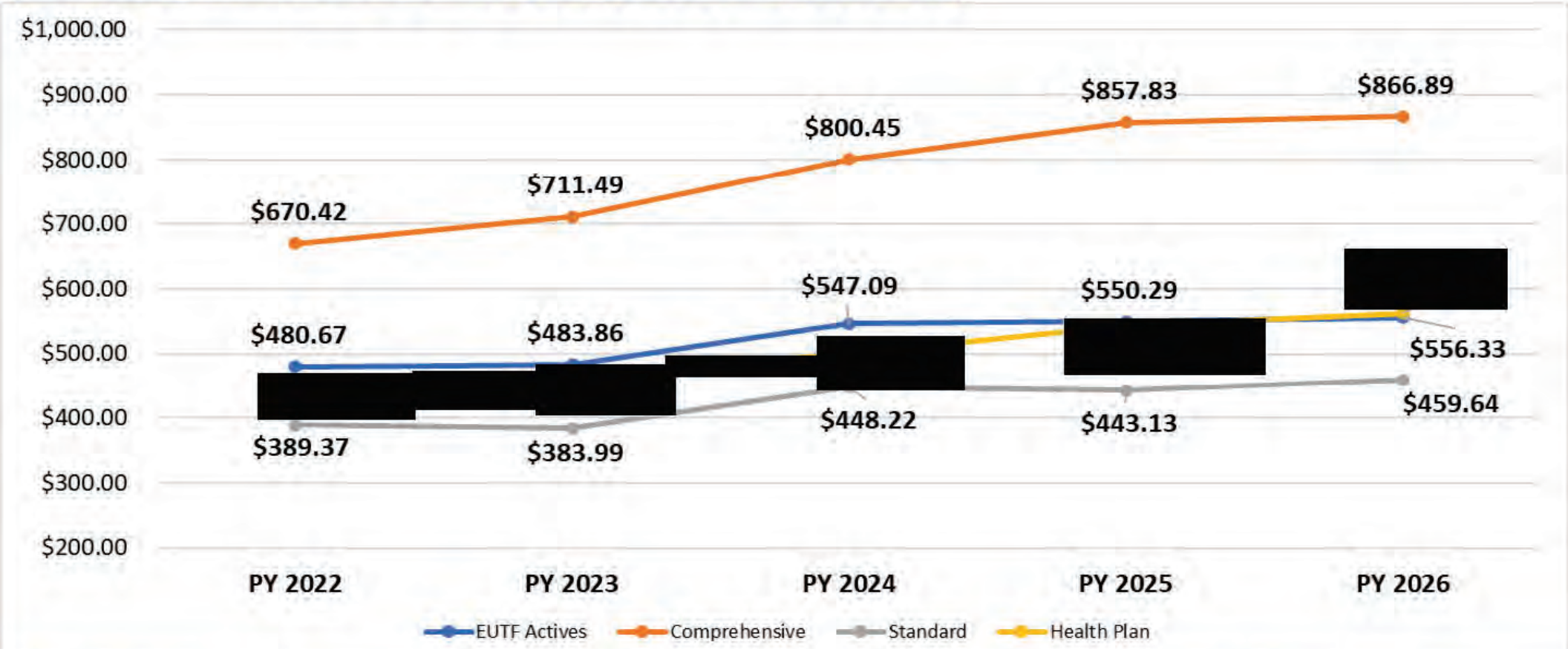
- Standard plan membership as a proportion to the total Actives membership has grown over the years.
- The Standard plan represented 68% of the total membership in PY 2022. The Standard plan now represents 77% of the total membership.
- The majority of KP's membership growth comes from newly eligible members.
- KP expects membership trends to continue at this level going forward based on no changes to the contributions, plan premiums or plan design.

Members	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	YoY % Change
Comprehensive	8,146	7,534	6,959	6,612	6,134	(7.2%)
Standard	16,929	17,175	17,831	18,976	20,304	7.0%
EUTF Actives	25,075	24,709	24,790	25,588	26,438	3.3%

CAGR = Compounded Annual Growth Rate | YoY = Year over Year

KAISER PERMANENTE®

Paid Claims PMPM Comparison Actives

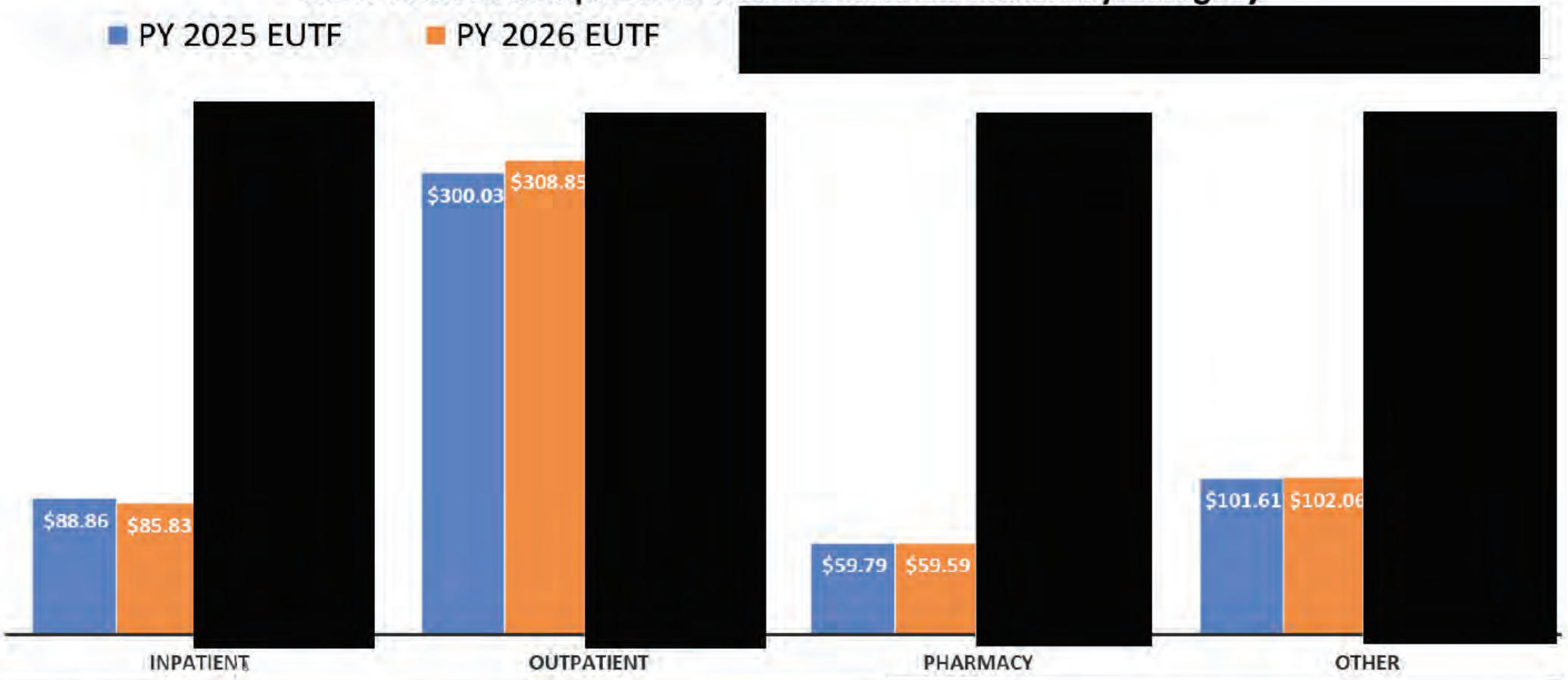


Paid Claims PMPM	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	YoY % Change	CAGR PY 2022 - PY 2026
Comprehensive	$670.42	$711.49	$800.45	$857.83	$866.89	1.1%	6.6%
Standard	$389.37	$383.99	$448.22	$443.13	$459.64	3.7%	4.2%
EUTF Actives	$480.67	$483.86	$547.09	$550.29	$556.33	1.1%	3.7%
[redacted]							

EUTF Actives Paid Claims PMPM are representative of the combined EUTF Standard and EUTF Comprehensive experience
Paid Claims PMPM figures are reported on a gross basis before large claim adjustments.

KAISER PERMANENTE®

EUTF Actives compared to Health Plan Paid Claims by Category



Major Service Categories	EUTF			
	PY 2025	PY 2026	% Change	4-Yr CAGR
Inpatient	$88.86	$85.83	(3.4%)	2.7%
Outpatient	$300.03	$308.85	2.9%	3.1%
Pharmacy	$59.79	$59.59	(0.3%)	7.5%
Other	$101.61	$102.06	0.4%	4.6%

[redacted]

Paid Claims PMPM figures are reported on a gross basis before large claim adjustments.
PY 2026 utilization metrics are annualized for comparison purposes based on 6 months of data (07/01/2025 – 12/31/2025), no trend was applied.

Appendix

Inpatient and Outpatient Utilization Metrics

High Cost Claimant Impact

Overall Telehealth Metrics

KAISER PERMANENTE®

Inpatient Detail – Non-Medicare Retirees

Admits / 1,000	Non-Medicare Retirees		
Inpatient	CY 2024	CY 2025	% Change
Medical	44.3	30.6	(30.9%)
Surgical	16.0	14.4	(10.0%)
Maternity	0.0	0.0	-
Mental Health	0.9	3.1	244.4%
Substance Abuse	0.4	0.4	0.0%
Skilled Nursing Facility	7.1	4.4	(38.0%)
Total	**68.7**	**52.9**	**(23.0%)**

Average Length of Stay	Non-Medicare Retirees		
Inpatient	CY 2024	CY 2025	% Change
Medical	4.7	5.1	8.5%
Surgical	7.5	8.3	10.7%
Maternity	0.0	0.0	-
Mental Health	5.0	5.1	2.0%
Substance Abuse	6.0	14.0	133.3%
Skilled Nursing Facility	17.3	32.1	85.5%
Total	**6.6**	**8.3**	**25.8%**

[redacted]

Outpatient Detail – Non-Medicare Retirees

Visits / 1,000	Non-Medicare Retirees		
Outpatient	CY 2024	CY 2025	% Change
Outpatient Visits	6,255.5	6,295.7	0.6%
Mental Health	636.3	743.5	16.8%
Substance Abuse	9.3	0.4	(95.7%)
Emergency Room	231.3	240.1	3.8%
Surgeries	125.8	139.5	10.9%
Surgeries - Other	739.1	858.6	16.2%
Lab	3,517.0	3,555.5	1.1%
Radiology	1,589.0	1,664.7	4.8%
Total	**13,103.3**	**13,498.0**	**3.0%**

[redacted]

KAISER PERMANENTE®

High-Cost Claimants – Non-Medicare Retirees CY 2025

*Active status means member is still on the plan as of 02/2026.

KAISER PERMANENTE®

Telehealth – Actives and Non Medicare Retirees

KAISER PERMANENTE®

PUBLIC

EUTF Semi-Annual Cost and Utilization Summary

Benefits Committee Meeting

May 19, 2026

Presented by:
Isaac Yuen, Senior Manager

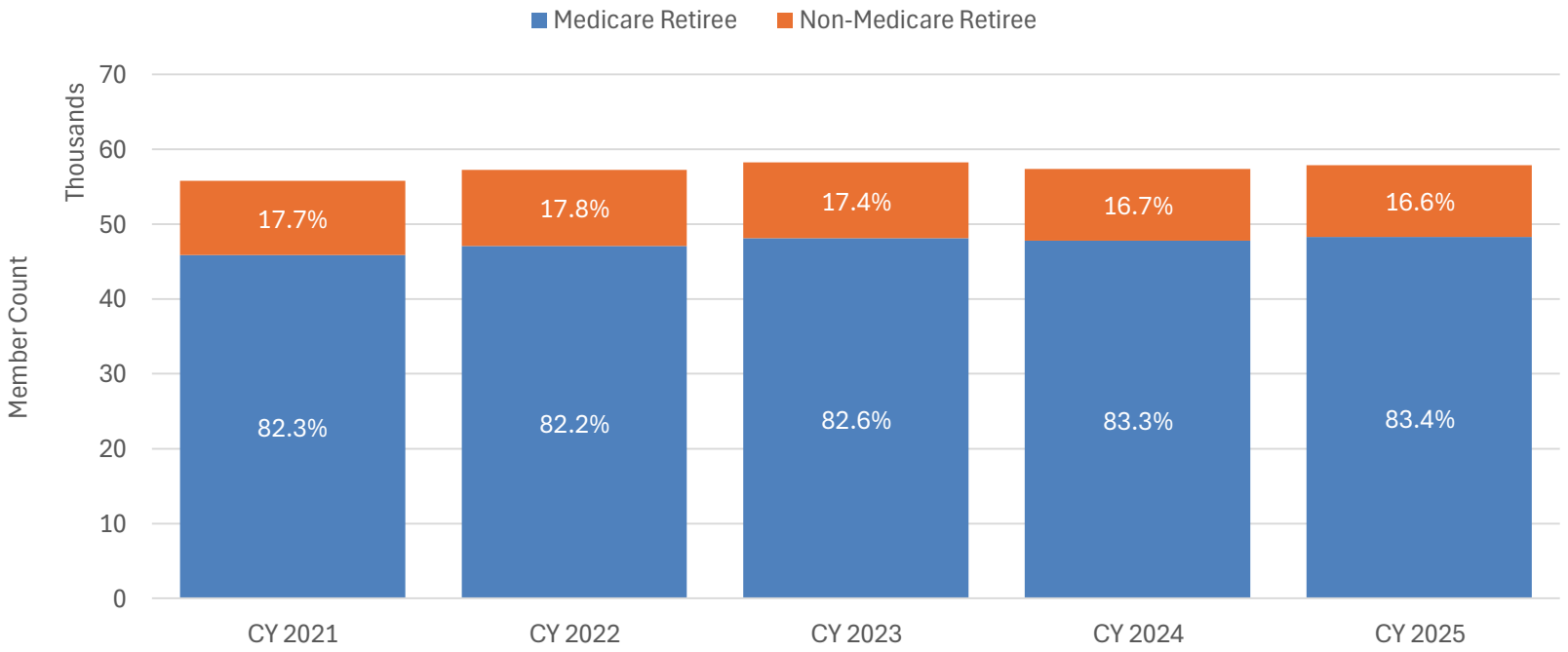
EUTF Retiree Plans

January 2025 – December 2025

Retiree Key Terms and Background

Reporting Period	**Current Plan Year:** Incurred Jan 2025 – Dec 2025, Paid through Mar 2026. *Data for historical periods follow same guidelines; incurred during plan year, paid through March of the following year.*
Year-over-Year (YoY)	Metric used to represent the percentage change from the prior calendar year to the current calendar year. **For this Report:** Calendar Year 2024 vs Calendar Year 2025
Benchmark/Peer	Retiree with Medicare: HMSA Medicare Advantage Retiree without Medicare: HMSA Merit Rated Group (MRG), Retro Rate Group (RRG) , Alternative Financing Methods (AFM) / Administrative Services Only (ASO) Groups – No age adjustment
Compound Annual Growth Rate (CAGR)	Metric used to represent an annualized trend over a set period; for purposes of this report, over a four-year period. **Four Year CAGR:** Calendar Year 2021 vs Calendar Year 2025
Per Member Per Month (PMPM)	Industry standard metric for comparing overall expenditures which adjusts for fluctuation in membership. PMPM for EUTF Medicare Retiree includes payments made by other payers to create a more accurate and comparable analysis with the peer group.
Services/Admissions per 1,000	Industry standard metric of the overall utilization of a service which adjusts for changes in membership over time.
Exclusions	HSTA VB | EUTF Part-Time/ Temp Plan | Chiropractic Claims

Enrollment - Plan Breakdown

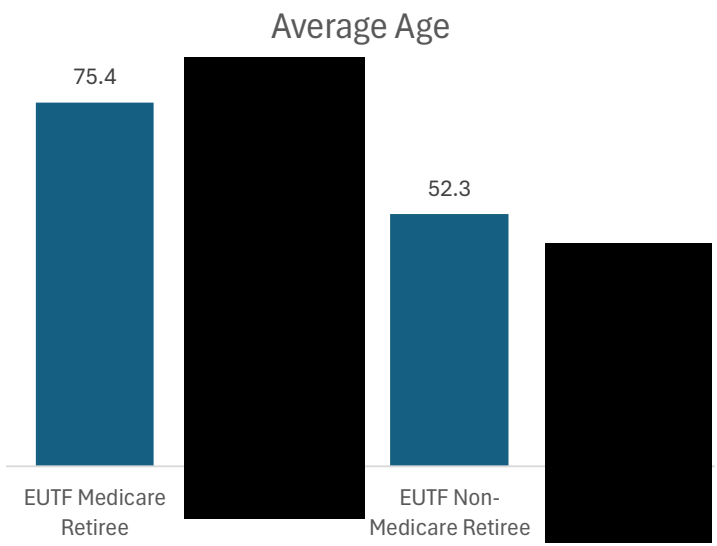


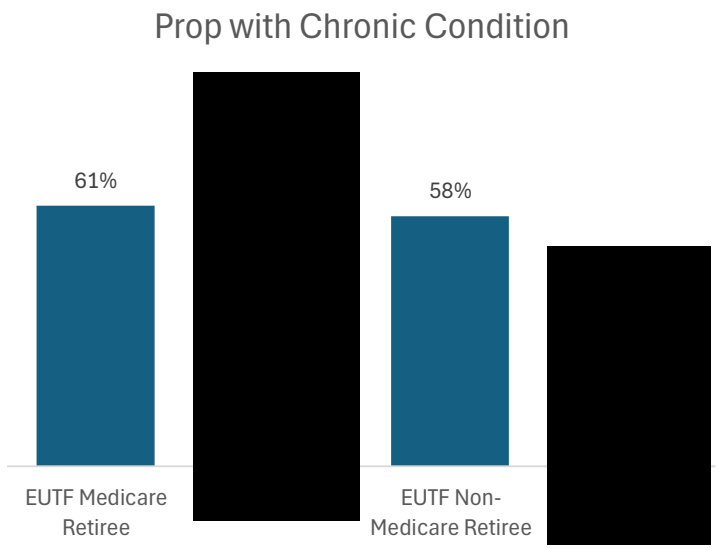
Highlights

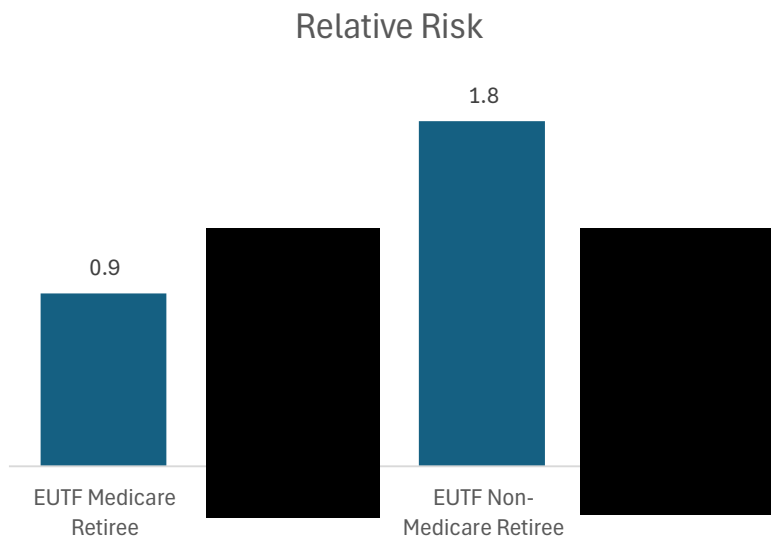
- Increase in Medicare and Non-Medicare populations.

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-year)
Medicare Retiree	45,877	47,072	48,122	47,793	48,276	1.0%	1.3%
Non-Medicare Retiree	9,882	10,203	10,147	9,593	9,639	0.5%	-0.6%
All EUTF Retirees	**55,759**	**57,275**	**58,269**	**57,386**	**57,915**	**0.9%**	**1.0%**

Risk Metrics 2025







	Average Age	Chronic Condition Prop	Relative Risk Score
EUTF Medicare Retiree	75.4	61%	0.9
[redacted]	[redacted]	[redacted]	[redacted]
EUTF Non-Medicare Retiree	52.3	58%	1.8
[redacted]	[redacted]	[redacted]	[redacted]

Highlights

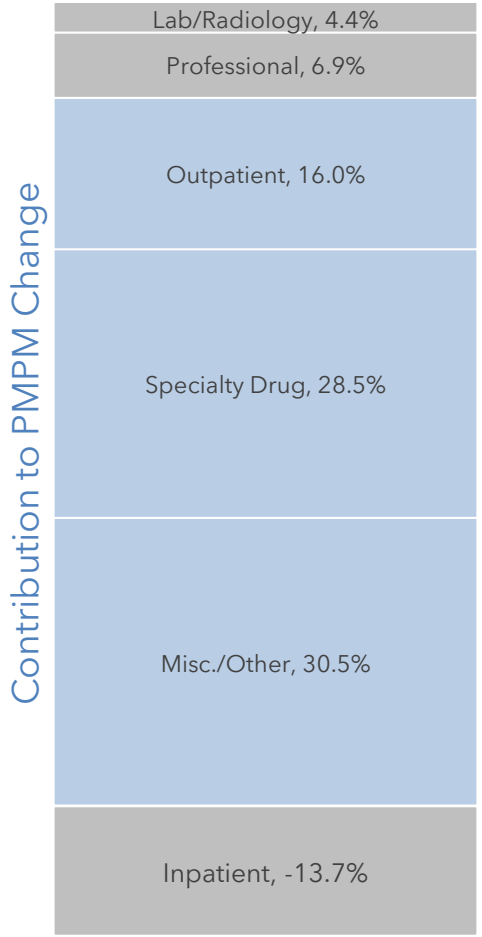
- [redacted]
- [redacted]

Prop with Chronic Condition is the proportion of each group's population with at least one chronic condition.
Relative risk represents each group's risk compared to the benchmark population.

EUTF Medicare Retirees Plans

January 2025 – December 2025

Executive Summary - EUTF Medicare Retirees



Membership Trend:

- Total Enrollment increased by 1.0% from the prior year.

Medical Trend: $1,057.68 PMPM (+4.0%)

Outpatient: $109.44 PMPM (+9.1%)

- 11.4% PMPM increase in Outpatient Surgery – ASC. Increase in cost and utilization in array of surgical procedures.

Misc/Other: $176.02 PMPM (+10.9%)

- 19.0% PMPM increase in Miscellaneous Services. Majority of increase from higher utilization of CGMs and few instances of high-cost wound covers.
- 8.4% PMPM increase in Other Facility Outpatient. CMS ended Hospice coverage component of Value-Based Insurance Design (VBID), returning coverage from Medicare Advantage to traditional Medicare.

Specialty Drug: $112.04 PMPM (+16.9%)

- 21.3% PMPM increase in Antineoplastic spend. Combination of increased utilization and cost per claim.

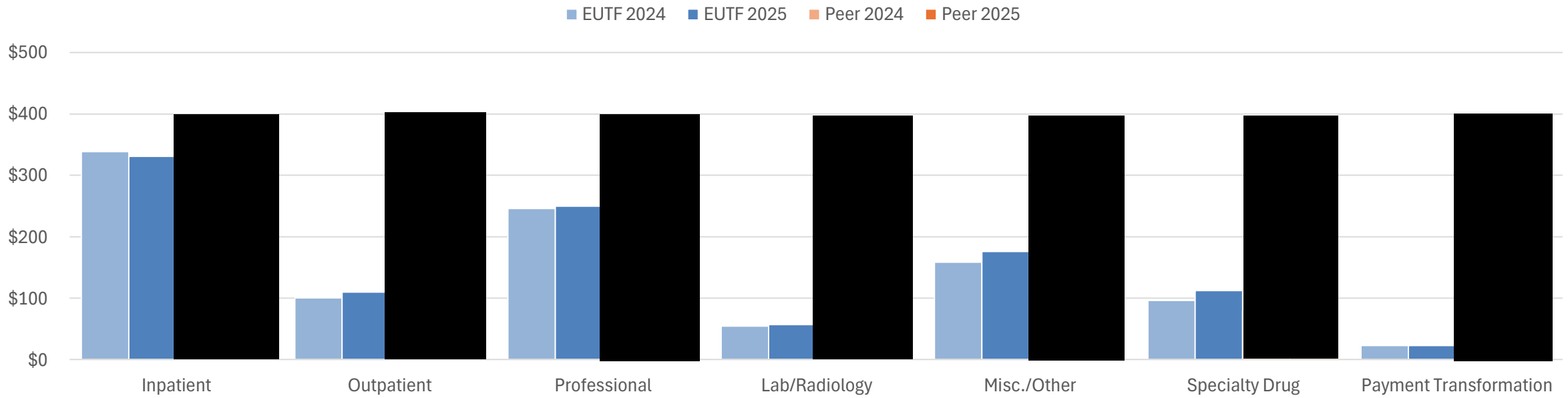
- Misc/Other is a residual category encompassing services as ambulance transportation, durable medical equipment (DME) and dialysis services.
- ASC stands for Ambulatory Surgical Center.

5-Year PMPM Peer Comparison – Medicare Retiree

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-Year)
EUTF Medicare Retiree	$819.10	$869.55	$929.85	$1,016.52	$1,057.68	4.0%	6.6%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

To better align with benchmark peers, the EUTF Medicare Retiree plan methodology was updated (starting with the Q4 2024 report) to include other payer costs when HMSA reimbursement was $0. This adjustment ensures a more comprehensive view of total service utilization and spend, resulting in a more accurate and meaningful comparison to peer group.

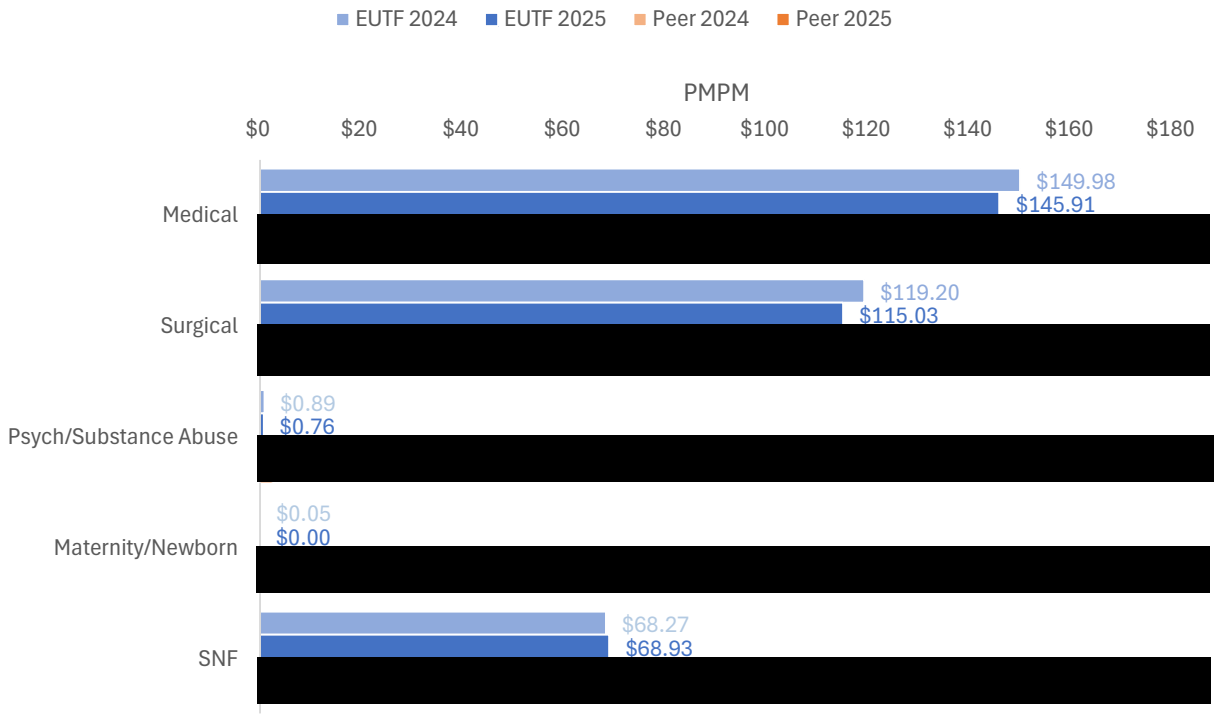
PMPM by Trend Category – Medicare Retiree



Trend Category	EUTF 2024	EUTF 2025	% Chg	CAGR (4-Year)
Inpatient	$338.39	$330.63	-2.3%	5.1%
Outpatient	$100.34	$109.44	9.1%	7.9%
Professional	$245.94	$249.86	1.6%	3.8%
Lab/Radiology	$54.41	$56.88	4.5%	4.2%
Misc./Other	$158.72	$176.02	10.9%	9.6%
Specialty Drug	$95.88	$112.04	16.9%	16.6%
Payment Transformation	$22.83	$22.79	-0.1%	1.3%
Total	**$1,016.52**	**$1,057.68**	**4.0%**	**6.6%**

- Misc/Other is a residual category encompassing services as ambulance transportation, durable medical equipment (DME) and dialysis services.
- Payment Transformation is HMSA's Primary Care Payment Model which shifts reimbursement to a per member per month global payment. Participating PCPs must have one of the following specialties: APRN, Family Practice, General Practice, Internist, Pediatric, or Naturopathic.
- Effective 7/1/2026, HMSA will reset and adjust the Primary Care Payment Model program. As a result, HMSA will pay Fee-for-Service (FFS) reimbursement for participating primary care providers instead of a per member, per month (PMPM) payment.

Inpatient – Medicare Retiree



Inpatient	EUTF 2024	EUTF 2025	% Chg	[redacted]
Medical	$149.98	$145.91	-2.7%	[redacted]
Surgical	$119.20	$115.03	-3.5%	[redacted]
Psych/Substance Abuse	$0.89	$0.76	-13.8%	[redacted]
Maternity/Newborn	$0.05	$0.00	--	[redacted]
SNF	$68.27	$68.93	1.0%	[redacted]
Total	**$338.39**	**$330.63**	**-2.3%**	[redacted]

Acute

Decrease in utilization and cost per admit in the Acute setting. [redacted]

Facility Inpatient - Acute	2024	2025	% Chg	[redacted]
PMPM	$270.12	$261.70	-3.1%	[redacted]
Cost/Svc	$21,704	$21,176	-2.4%	[redacted]
Svcs/1k	149.3	148.3	-0.7%	[redacted]

High Dollar Admits

- Reduction in number of high-dollar admissions. $1.8M reduction in high-dollar reimbursement year over year.

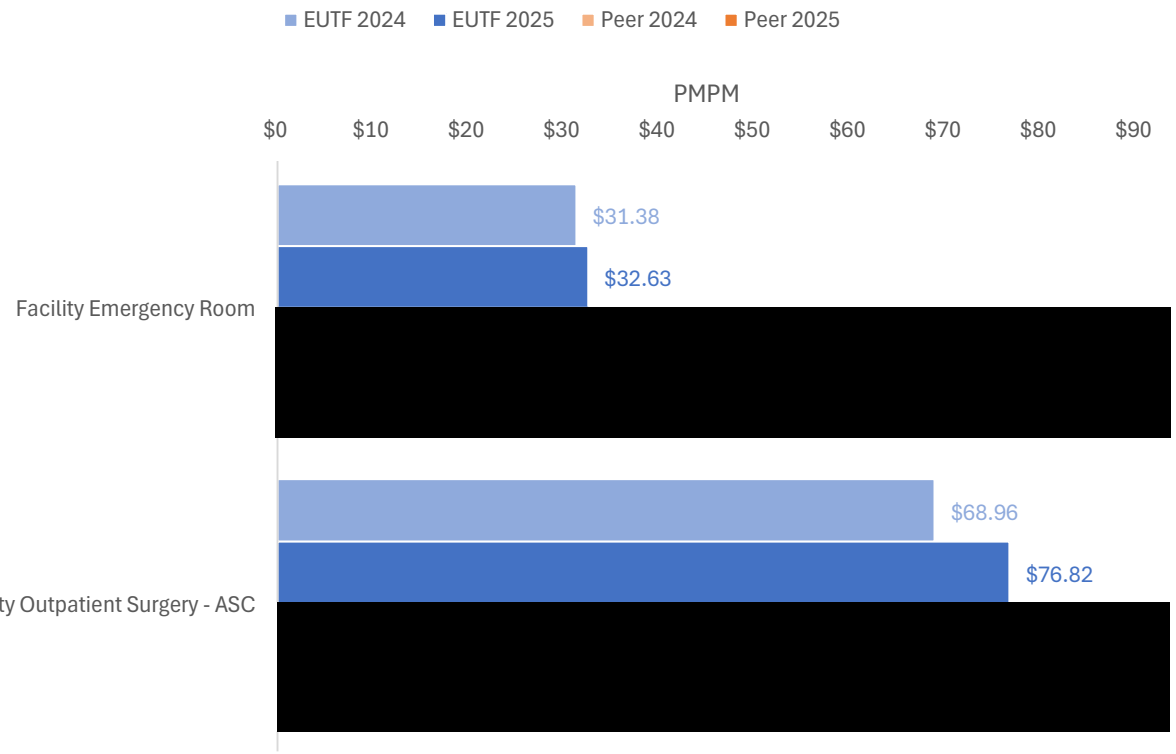
High-Dollar Admits	Admits 2024	Admits 2025	# Chg	Reimbursement 2024	Reimbursement 2025	$ Chg
EUTF	4	1	-3	$2,304,601	$530,467	-$1,774,134
[redacted]						

Skilled Nursing Facility (SNF)

Increased lengths of stay are offsetting fewer admits. [redacted]

Facility Inpatient - SNF	2024	2025	% Chg	[redacted]
PMPM	$68.27	$68.93	1.0%	[redacted]
Cost/Admit	$25,652	$26,170	2.0%	[redacted]
Admits/1k	31.9	31.6	-1.0%	[redacted]

Outpatient – Medicare Retiree



Outpatient	EUTF 2024	EUTF 2025	% Chg	[redacted]
Facility Emergency Room	$31.38	$32.63	4.0%	[redacted]
Facility Outpatient Surgery - ASC	$68.96	$76.82	11.4%	[redacted]
Total	**$100.34**	**$109.44**	**9.1%**	[redacted]

Facility Emergency Room

PMPM increase driven largely by increased utilization, offset by lower cost per visit. [redacted]

Facility Emergency Room	2024	2025	% Chg	[redacted]
PMPM	$31.38	$32.63	4.0%	[redacted]
Cost / Visit	$1,097	$1,074	-2.1%	[redacted]
Visits / 1k	343.3	364.6	6.2%	[redacted]

Low-intensity ER as proportion of visits are down, total utilization relatively flat.

Low-intensity ER	Rate 2024	Rate 2025	% Chg	Svcs / 1k 2024	Svcs / 1k 2025	% Chg
EUTF	9.9%	8.8%	-11.3%	28.1	28.3	0.8%
[redacted]						

Facility Outpatient Surgery – ASC

Discrepancy to peer largely driven by higher rate of utilization.

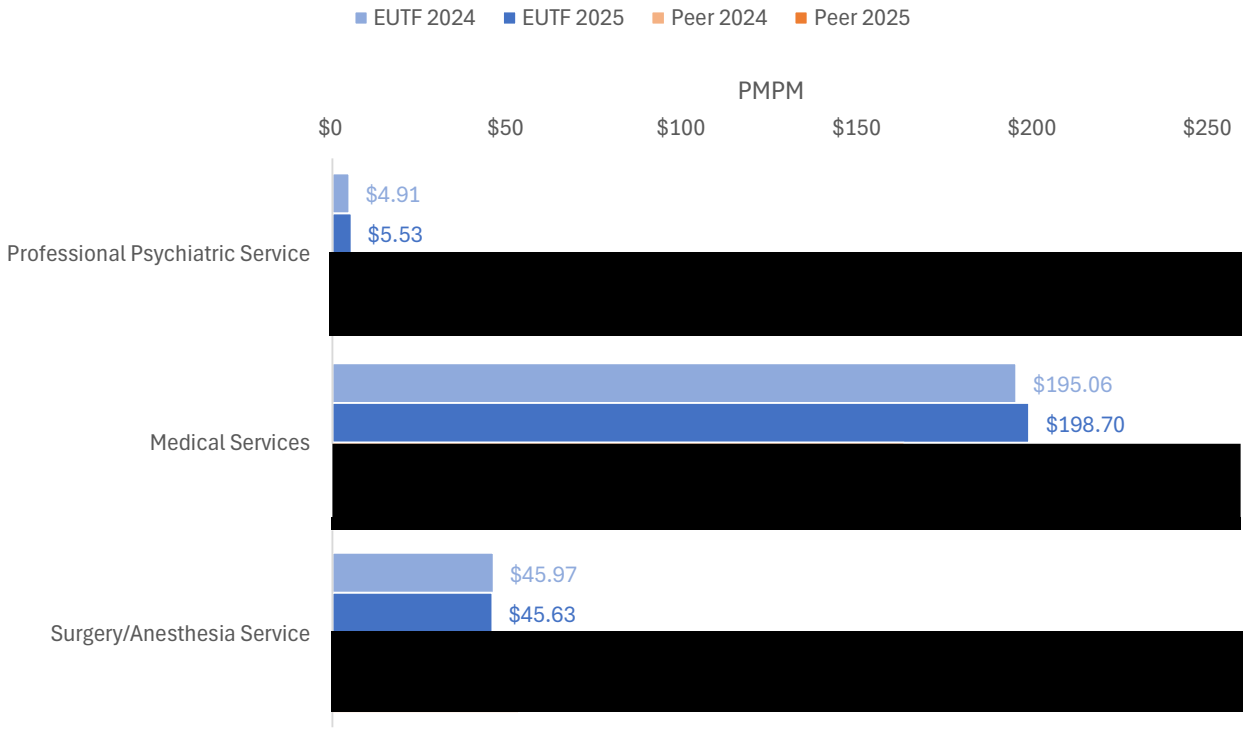
Facility Outpatient Surgery - ASC	2024	2025	% Chg	[redacted]
Cost/Visits	$3,239	$3,460	6.8%	[redacted]
Visits/1k	227.2	220.5	-2.9%	[redacted]

Top Facility Outpatient Surgery – ASC Services (PMPM)

Facility Outpatient Surgery - ASC	Visits/1k 2024	Visits/1k 2025	% Chg	Cost/Svc 2024	Cost/Svc 2025	% Chg
HIP REPLACEMENT	2.9	3.6	25.2%	$12,869	$13,389	4.0%
INSERTION OF CATHETER OR SPINAL STIMULATOR	9.5	11.5	20.9%	$1,473	$2,165	47.0%
GLAUCOMA PROCEDURES	8.4	10.3	22.5%	$1,868	$2,527	35.3%
ARTHROPLASTY KNEE	5.2	6.4	22.2%	$13,148	$12,366	-5.9%
LENS AND CATARACT PROCEDURES	62.2	66.6	7.1%	$1,316	$1,355	3.0%

- ASC stands for ambulatory surgical center

Professional – Medicare Retiree



Professional	EUTF 2024	EUTF 2025	% Chg	[redacted]
Professional Psychiatric Service	$4.91	$5.53	12.7%	
Medical Services	$195.06	$198.70	1.9%	
Surgery/Anesthesia Service	$45.97	$45.63	-0.7%	
Total	**$245.94**	**$249.86**	**1.6%**	

Professional Psychiatric Services

Increase largely driven by increased therapy utilization.

Professional Psychiatric Service	2024	2025	% Chg	[redacted]
PMPM	$4.91	$5.53	12.7%	
Cost/Svc	$108.57	$105.93	-2.4%	
Svcs/1k	543	627	15.5%	

Medical Services

Medical Services	2024	2025	% Chg	[redacted]
PMPM	$195.06	$198.70	1.9%	
Cost/Svc	$76.33	$74.46	-2.5%	
Svcs/1k	30,665	32,022	4.4%	

Top Medical Services Procedure Categories

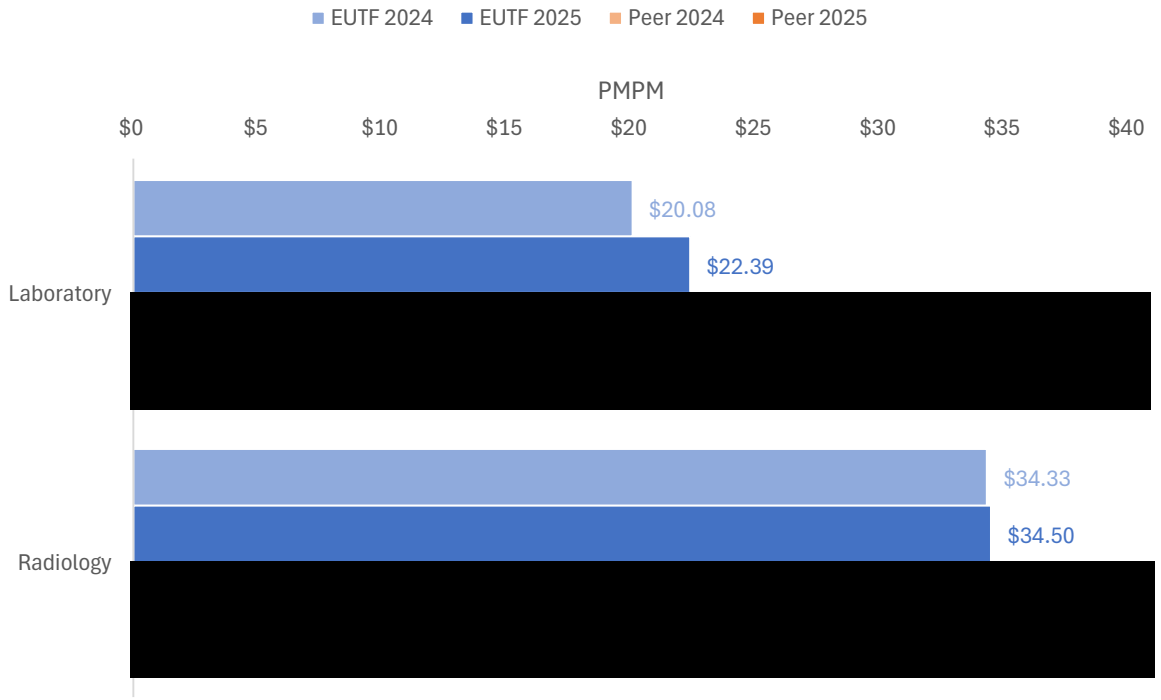
Office/Other Outpatient Svcs	2024	2025	% Chg	[redacted]
PMPM	$65.80	$68.02	3.4%	
Cost/Svc	$103.16	$103.23	0.1%	

Physical Medicine and Rehabilitation	2024	2025	% Chg	[redacted]
PMPM	$19.87	$20.67	4.1%	
Svcs/1k	8,625	9,102	5.5%	

Decline in immunizations in both populations, EUTF maintains higher rates of immunizations than peer.

Immunization Injections	2024	2025	% Chg	[redacted]
PMPM	$13.67	$13.13	-3.9%	
Svcs/1k	2,104	1,760	-16.3%	

Laboratory/Radiology – Medicare Retiree



Lab/Radiology	EUTF 2023	EUTF 2024	% Chg	[redacted]
Laboratory	$20.08	$22.39	11.5%	[redacted]
Radiology	$34.33	$34.50	0.5%	[redacted]
Total	**$54.41**	**$56.88**	**4.5%**	[redacted]

Laboratory

PMPM increase driven by a combination of increased utilization per 1,000 and cost per service.

[redacted]

Laboratory	Svcs / 1k 2024	Svcs / 1k 2025	% Chg	Cost/Svc 2024	Cost/Svc 2025	% Chg
EUTF	13,725	14,384	4.8%	$17.56	$18.68	6.4%
[redacted]						

Top Laboratory Services (PMPM)

Service Category	EUTF 2024	EUTF 2025	$ Chg	[redacted]
Chemistry - Clinical	$8.15	$8.12	($0.03)	[redacted]
Organ or Disease Oriented Panels - Clinical	$3.34	$4.17	$0.82	[redacted]
Surgical Pathology - Clinical	$2.52	$2.65	$0.14	[redacted]
Anatomic Panel - Clinical	$0.72	$1.92	$1.19	[redacted]
Microbiology - Clinical	$1.66	$1.64	($0.02)	[redacted]

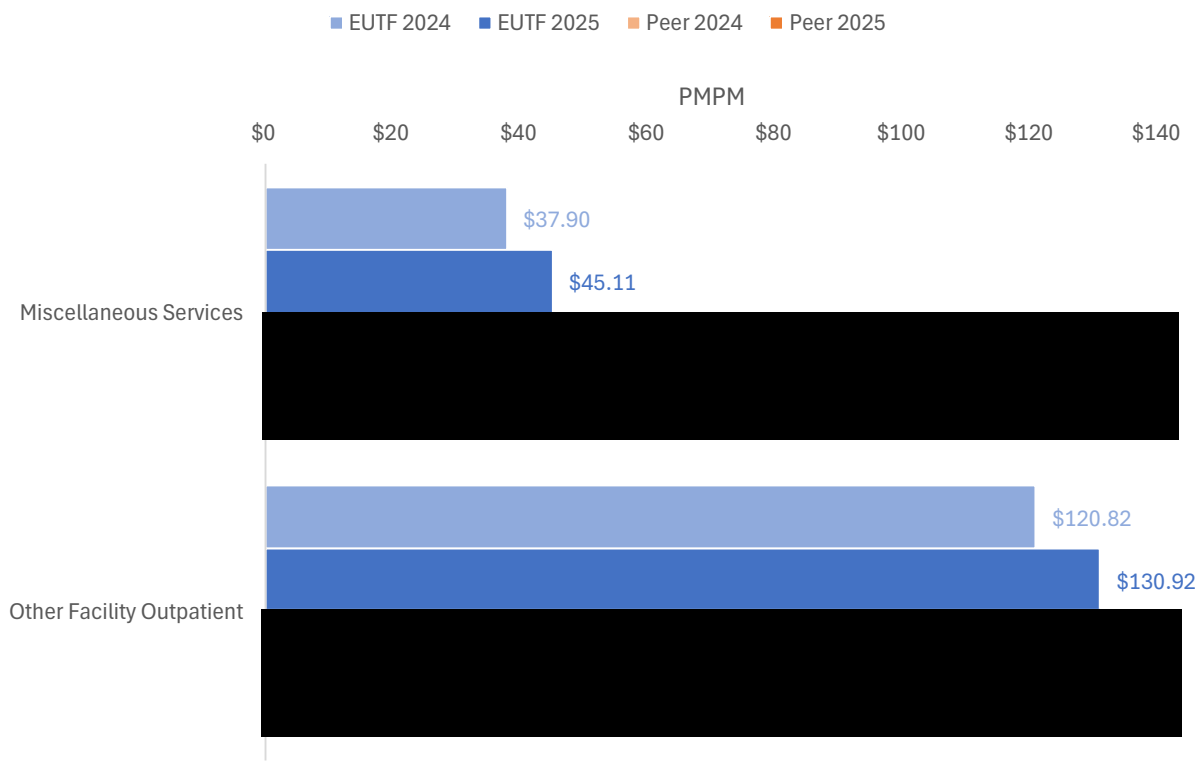
Radiology

Radiology	Svcs / 1k 2024	Svcs / 1k 2025	% Chg	Cost / Svc 2024	Cost / Svc 2025	% Chg
EUTF	4,430	4,514	1.9%	$92.99	$91.69	-1.4%
[redacted]						

Top Radiology Services (PMPM)

Service Category	EUTF 2024	EUTF 2025	$ Chg	[redacted]
Nuclear Medicine	$9.70	$9.20	($0.49)	[redacted]
CT Scans	$6.38	$6.62	$0.24	[redacted]
Diagnostic Radiology	$4.86	$4.86	$0.00	[redacted]
Breast, Mammography	$4.50	$4.50	$0.00	[redacted]
MRI Scans	$3.85	$4.15	$0.30	[redacted]

Miscellaneous/Other Facility Outpatient – Medicare Retiree



Misc/Other	EUTF 2024	EUTF 2025	% Chg	[redacted]
Miscellaneous Services	$37.90	$45.11	19.0%	
Other Facility Outpatient	$120.82	$130.92	8.4%	
Total	**$158.72**	**$176.02**	**10.9%**	

Miscellaneous Services

Miscellaneous Services	2024	2025	% Chg	[redacted]
PMPM	$37.90	$45.11	19.0%	
Cost/Svc	$138.10	$148.96	7.9%	
Svcs/1k	3,293.3	3,633.8	10.3%	

Medical/Surgical Supplies

- $4.79 PMPM increase from Medical/Surgical supplies.

Medical/Surgical Supplies	2024	2025	% Chg	[redacted]
PMPM	$8.67	$13.46	55.2%	
Cost/Svc	$120.72	$177.97	47.4%	

Cost per service increase driven by few instances of high-cost wound covers and higher utilization of CGMs than peer

Code	Procedure	Cost/Claim 2024	Cost/Claim 2025	% Diff	Claims 2024	Claims 2025	% Diff
Q4275	0172 ESANO ACA	$43,837	$89,193	103.5%	4	7	75.0%
Q4239	0172 AMNIO-MAXX OR LITE	$9,522	$33,267	249.4%	7	17	142.9%
A4239	0172 NON-ADJU CGM SUPPLY	$521	$601	15.3%	1,928	1,961	1.7%

Other Facility Outpatient

Other Facility Outpatient	2024	2025	% Chg	[redacted]
PMPM	$120.82	$130.92	8.4%	
Cost/Svc	$230.13	$241.47	4.9%	
Svcs/1k	6,300	6,506	3.3%	

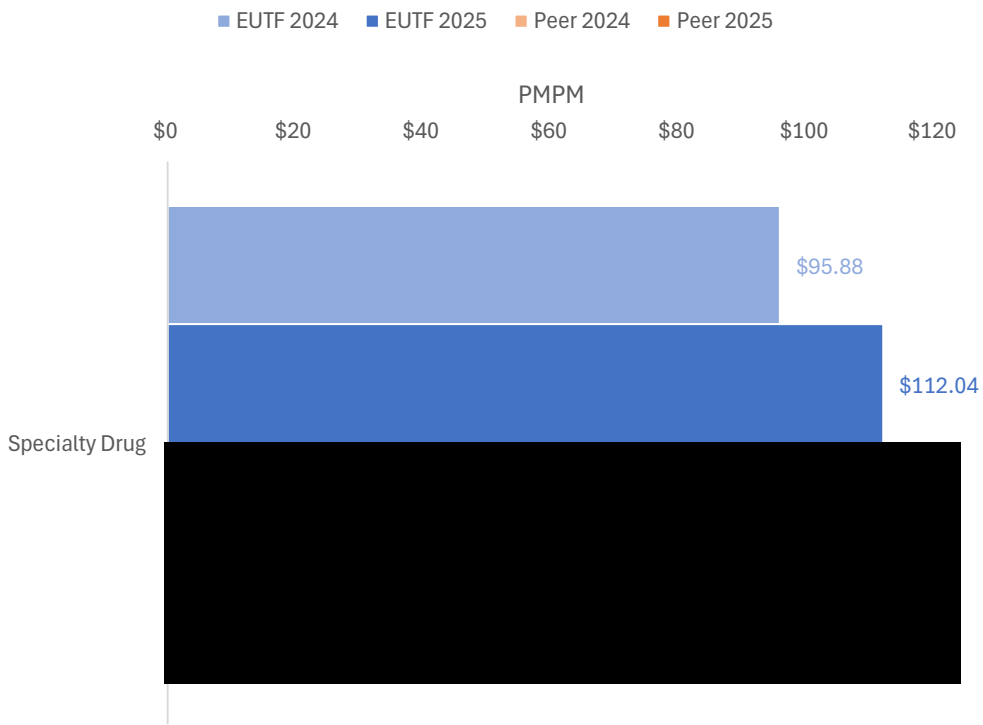
Hospice Services

- CMS ended the Hospice Benefit component of the Value-Based Insurance Design (VBID), returning hospice coverage to traditional Medicare.

Hospice Services	2024	2025	% Chg	[redacted]
PMPM	$60.59	$66.67	10.0%	
Svcs/1k	2,859	2,979	4.2%	

Note: Misc/Other is a catch-all bucket and includes items like ambulance services, durable medical equipment (DME) and dialysis services. May see movement between reports, this bucket also catches non-labeled Specialty Drugs

Specialty Drug – Medicare Retiree



	EUTF 2024	EUTF 2025	% Chg	[redacted]
Specialty Drug	$95.88	$112.04	16.9%	[redacted]

Specialty Drug
PMPM increase driven by combination of Cost per Service and Services per 1,000. [redacted]

Specialty Drug	2024	2025	% Chg	[redacted]
PMPM	$95.88	$112.04	16.9%	[redacted]
Cost/Svc	$1,923	$2,222	15.5%	[redacted]
Svcs/1k	598.2	605.1	1.1%	[redacted]

Top Therapeutic Classes by PMPM

Therapeutic Class PMPM	EUTF 2024	EUTF 2025	% Chg	[redacted]
ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	$48.54	$58.89	21.3%	[redacted]
ENDOCRINE AND METABOLIC AGENTS - MISC.	$19.51	$21.51	10.3%	[redacted]
OPHTHALMIC AGENTS	$7.26	$8.46	16.6%	[redacted]
HEMATOPOIETIC AGENTS	$4.80	$5.80	21.0%	[redacted]
ANALGESICS - ANTI-INFLAMMATORY	$5.08	$4.21	-17.2%	[redacted]

Endocrine and Metabolic Agents: Used in treatment/management of endocrine (hormones) and metabolism.

- PMPM and cost-per claim differences driven by proportion of drugs administered in dialysis facilities, which are reimbursed under a bundled payment. The drug line appears as $0 on claims, lowering the average cost. The average cost per service for EUTF at a dialysis facility is $15, the average cost outside of a dialysis facility is $1,950.

	Prop of Endocrine Drug Svcs at Dialysis Facility
MC Retirees	12.9%
[redacted]	[redacted]

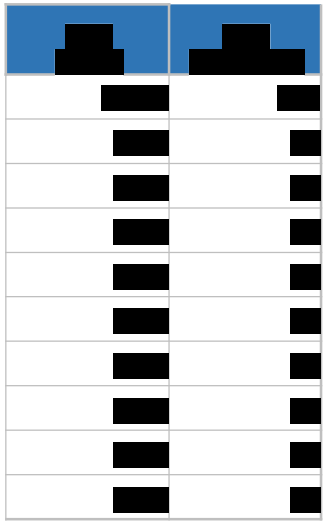
Ophthalmic Agents: Medications used for treatment of the eyes.

- $711k increase in Vabysmo spend driven by 65% increase in unique utilizers.

Note: Effective 7/1/23, specialty medications dispensed and administered outside of retail or specialty pharmacy environments–such as clinics, infusion centers, facilities, or physician's office–are covered under the HMSA medical plan.

Top Specialty Drugs – Medicare Retiree

Curr Rank	$ Change	Drug Name	Therapeutic Class	Utilizers	Claims	Total Cost	Cost/Claim	% of Total Cost	PMPM	Claims / 1k	Prev Rank
1	$613,639	**KEYTRUDA**	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	123	630	$9,122,328	$14,480	14.0%	$15.71	13.2	1
2	$1,841,010	**PROLIA**	ENDOCRINE AND METABOLIC AGENTS - MISC.	2,879	4,329	$6,910,794	$1,596	10.6%	$11.90	90.5	2
3	$1,687,099	**OPDIVO**	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	63	408	$4,444,624	$10,894	6.8%	$7.66	8.5	4
4	$867,605	**DARZALEX**	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	37	375	$3,667,091	$9,779	5.6%	$6.32	7.8	3
5	$711,433	**VABYSMO**	OPHTHALMIC AGENTS	372	1,143	$2,355,755	$2,061	3.6%	$4.06	23.9	8
6	($80,693)	**EYLEA**	OPHTHALMIC AGENTS	424	1,203	$2,093,115	$1,740	3.2%	$3.61	25.1	6
7	($478,260)	**EVENITY**	ENDOCRINE AND METABOLIC AGENTS - MISC.	207	866	$2,048,242	$2,365	3.1%	$3.53	18.1	5
8	($235,580)	**XGEVA**	ENDOCRINE AND METABOLIC AGENTS - MISC.	104	570	$1,859,566	$3,262	2.9%	$3.20	11.9	7
9	$592,615	**TECENTRIQ**	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	19	142	$1,738,019	$12,240	2.7%	$2.99	3.0	11
10	$177,425	**REBLOZYL**	HEMATOPOIETIC AGENTS	25	131	$1,701,830	$12,991	2.6%	$2.93	2.7	9



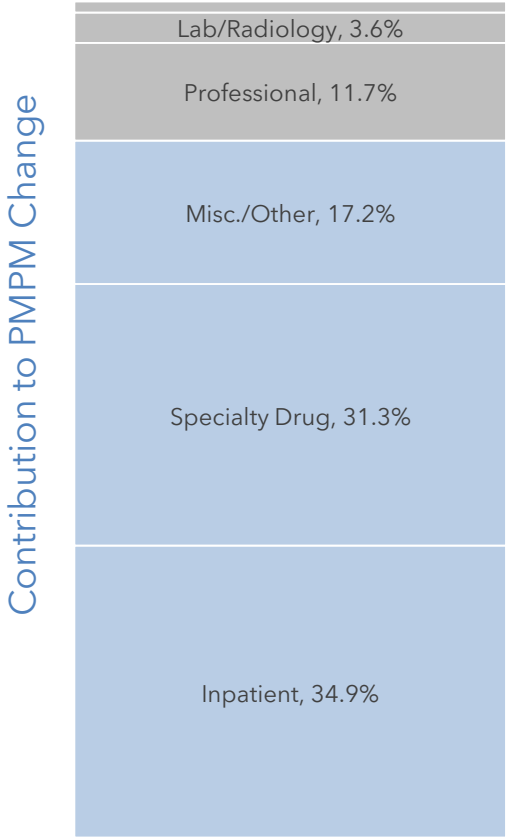
Highlights

1. Consistent ranking of the top drugs year-over-year.
2. Prolia and Xgeva biosimilars came to market in late 2025, expect to see shifting in 2026.

EUTF Non-Medicare Retirees Plans

January 2025 – December 2025

Executive Summary - EUTF Non-Medicare Retirees



Membership:

- Total enrollment increased by 0.5%.

Total: $653.70 PMPM (+17.5%)

Inpatient: $177.05 PMPM (+23.8%)

- $2.3M increase is mostly due to high-cost claimants residing out of state.
- Number of SNF admissions decreased but offset by increased average length of stay.

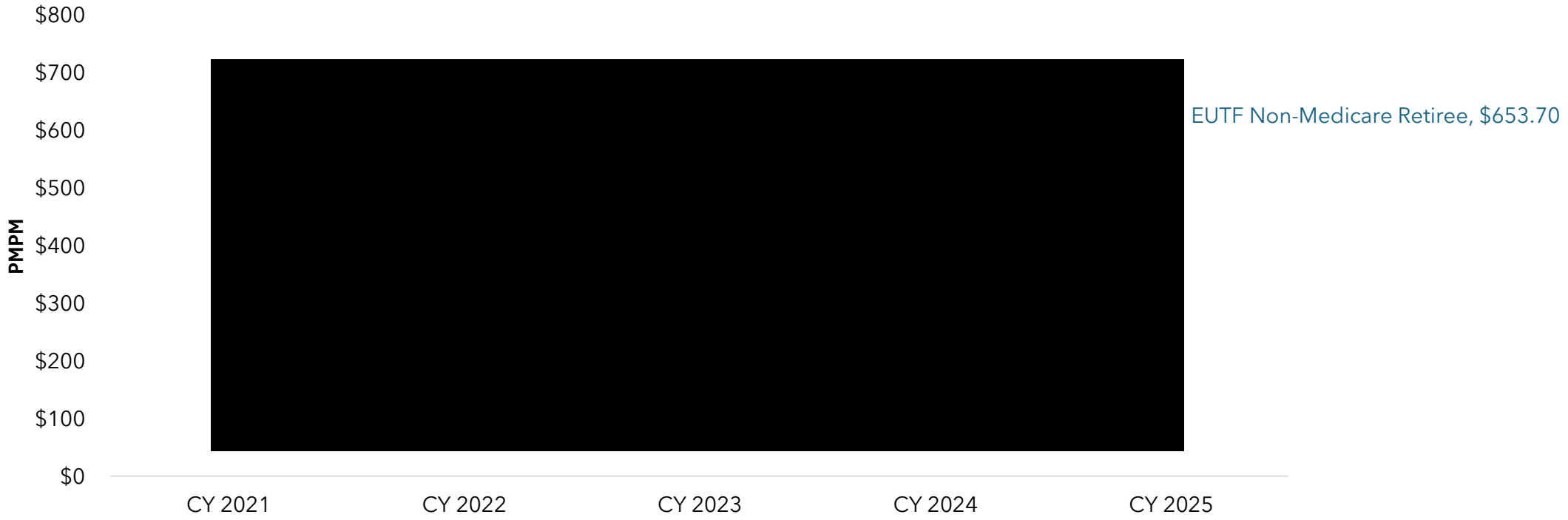
Specialty Drug: $80.55 PMPM (+60.8%)

- $2.6M increase in antineoplastic reimbursement, low volume high-cost drugs.

Misc/Other: $73.24 PMPM (+29.5%)

- $2M increase in dialysis reimbursement. Large part of increase from out of state dialysis utilization.

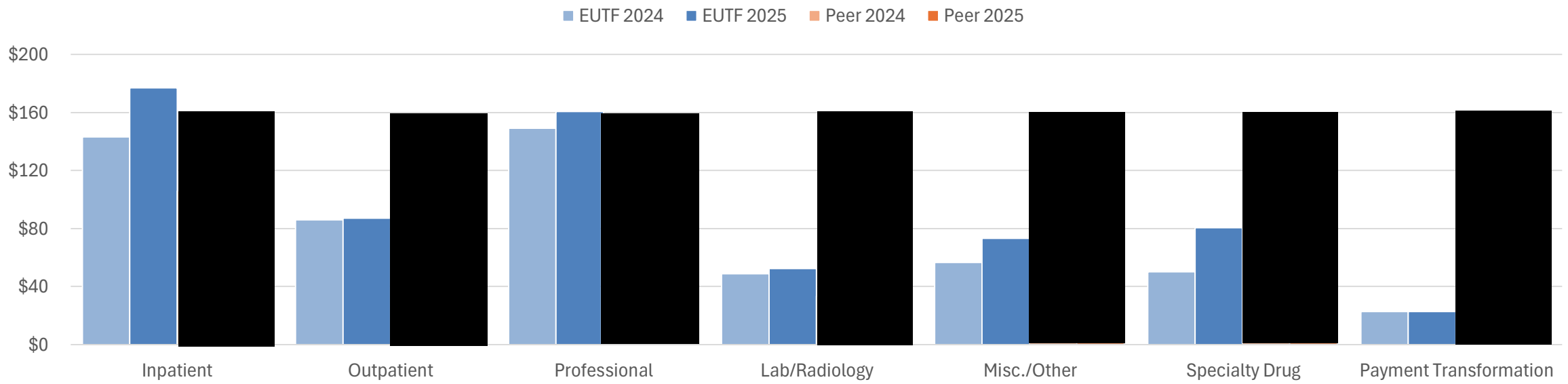
5-Year PMPM Peer Comparison



	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-Year)
EUTF Non-Medicare Retiree	$395.56	$453.66	$466.42	$556.31	$653.70	17.5%	13.4%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

- HMSA Commercial Demo Adjusted: HMSA Commercial PMPM which has been demographically adjusted for comparison with the EUTF Non-Medicare Retiree population.
- EUTF Non-Medicare Retiree PMPM does not include pharmacy specialty drug costs due to carveouts.

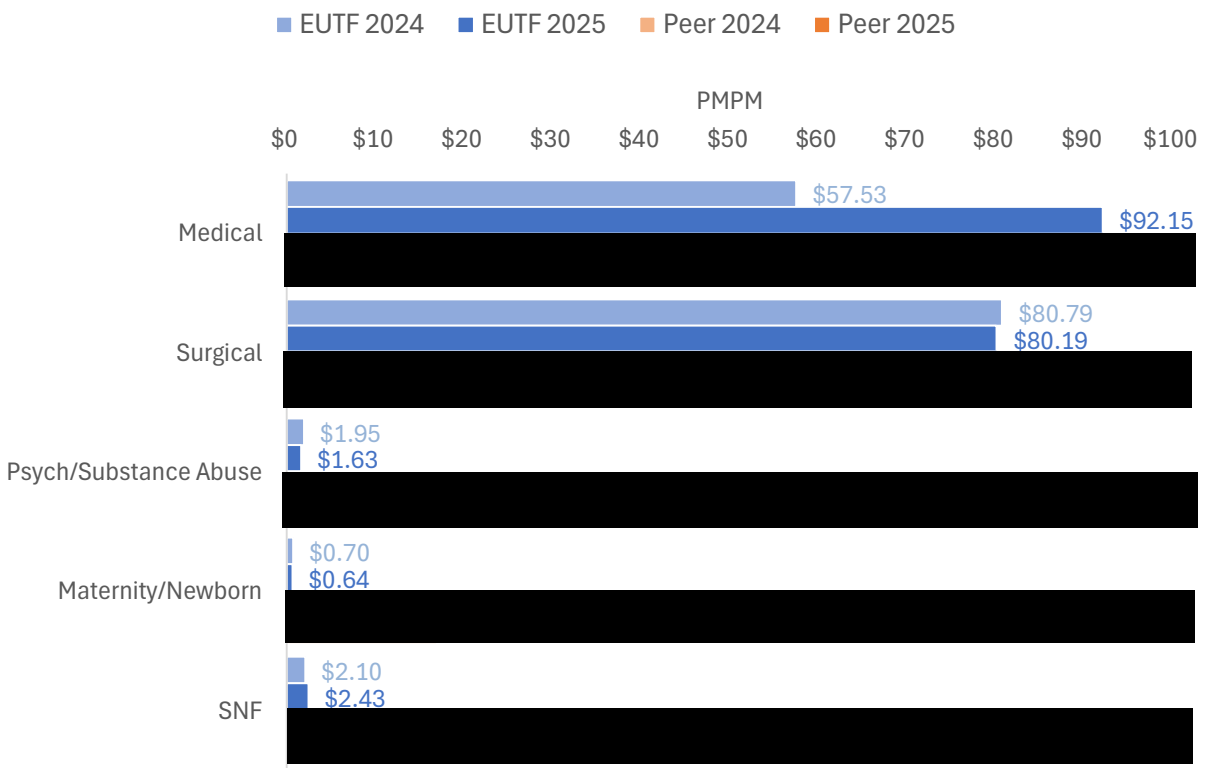
PMPM by Trend Category - Non-Medicare Retiree



Trend Category	EUTF 2024	EUTF 2025	% Chg	CAGR (4-Year)	[redacted]
Inpatient	$143.07	$177.05	23.8%	15.6%	[redacted]
Outpatient	$85.92	$87.20	1.5%	9.2%	[redacted]
Professional	$149.24	$160.64	7.6%	9.1%	[redacted]
Lab/Radiology	$48.71	$52.24	7.3%	5.9%	[redacted]
Misc./Other	$56.54	$73.24	29.5%	16.6%	[redacted]
Specialty Drug	$50.08	$80.55	60.8%	43.6%	[redacted]
Payment Transformation	$22.75	$22.77	0.1%	1.7%	[redacted]
Total	**$556.31**	**$653.70**	**17.5%**	**13.4%**	[redacted]

- The Peer PMPMs shown in the remainder of the presentation have not been demographically adjusted.
- Payment Transformation is HMSA's Primary Care Payment Model which shifts reimbursement to a per member per month global payment. Participating PCPs must have one of the following specialties: APRN, Family Practice, General Practice, Internist, Pediatric, or Naturopathic.
- Effective 7/1/2026, HMSA will reset and adjust the Primary Care Payment Model program. As a result, HMSA will pay Fee-for-Service (FFS) reimbursement for participating primary care providers instead of a per member, per month (PMPM) payment.

Inpatient Non-Medicare Retirees



Inpatient	EUTF 2024	EUTF 2025	% Chg	[redacted]
Medical	$57.53	$92.15	60.2%	
Surgical	$80.79	$80.19	-0.7%	
Psych/Substance Abuse	$1.95	$1.63	-16.4%	
Maternity/Newborn	$0.70	$0.64	-8.0%	
Skilled Nursing Facility	$2.10	$2.43	15.9%	
Total	**$143.07**	**$177.05**	**23.8%**	

Acute

- Increases in admits and cost per admit. Increase predominantly driven by Medical admits.
- In-state Medical cost per admission also up 23%.

Facility Inpatient - Acute	2024	2025	% Chg	[redacted]
PMPM	$140.97	$174.61	23.9%	
Cost/Admit	$39,443	$45,847	16.2%	
Admits/1k	42.9	45.7	6.6%	

Medical (Acute)

- $2.3M increase from high-cost claimants residing out of state. Number of visits relatively flat, reimbursement increase largely due to higher costing admissions.

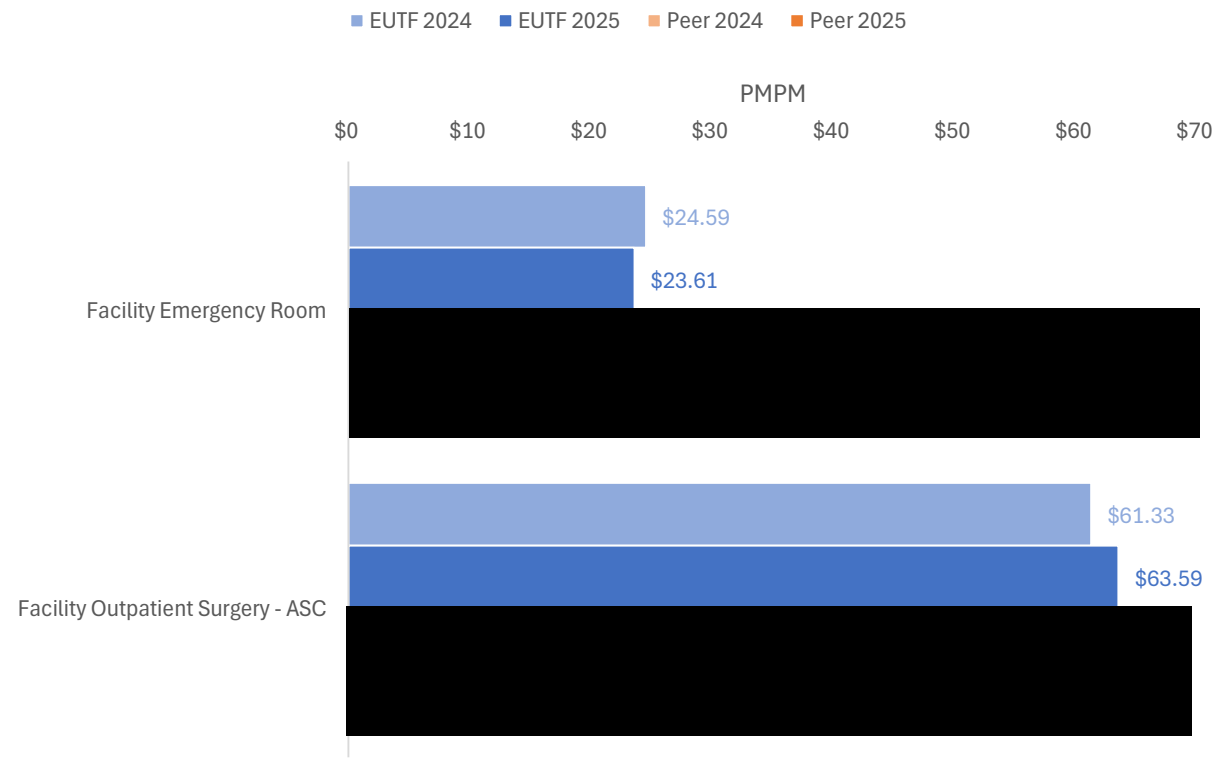
Out of State Admits	2024	2025	% Chg	[redacted]
PMPM	$8.72	$28.86	231%	
Cost/Admit	$24,909	$72,061	189%	

SNF

- EUTF Number of admissions relatively flat, trend driven by increase in Average Length of Stay (ALOS). [redacted]

Facility Inpatient - SNF	2024	2025	% Chg	[redacted]
PMPM	$2.10	$2.43	15.9%	
Cost/Admit	$13,268	$15,870	19.6%	
Admits/1k	1.9	1.8	-3.1%	
ALOS	22.6	33.2	46.9%	

Outpatient – Non-Medicare Retiree



Outpatient	EUTF 2024	EUTF 2025	% Chg	[redacted]
Facility Emergency Room	$24.59	$23.61	-4.0%	[redacted]
Facility Outpatient Surgery - ASC	$61.33	$63.59	3.7%	[redacted]
Total	**$85.92**	**$87.20**	**1.5%**	[redacted]

Emergency Room

ER utilization decline year over year. Lower utilization than peer despite EUTF population being higher risk.

Facility Emergency Room	2024	2025	% Chg	[redacted]
PMPM	$24.59	$23.61	-4.0%	[redacted]
Cost/Visit	$1,557	$1,574	1.1%	[redacted]
Visits/1k	189.5	180.1	-5.0%	[redacted]

Facility Outpatient Surgery - ASC

EUTF utilization decreased year over year.

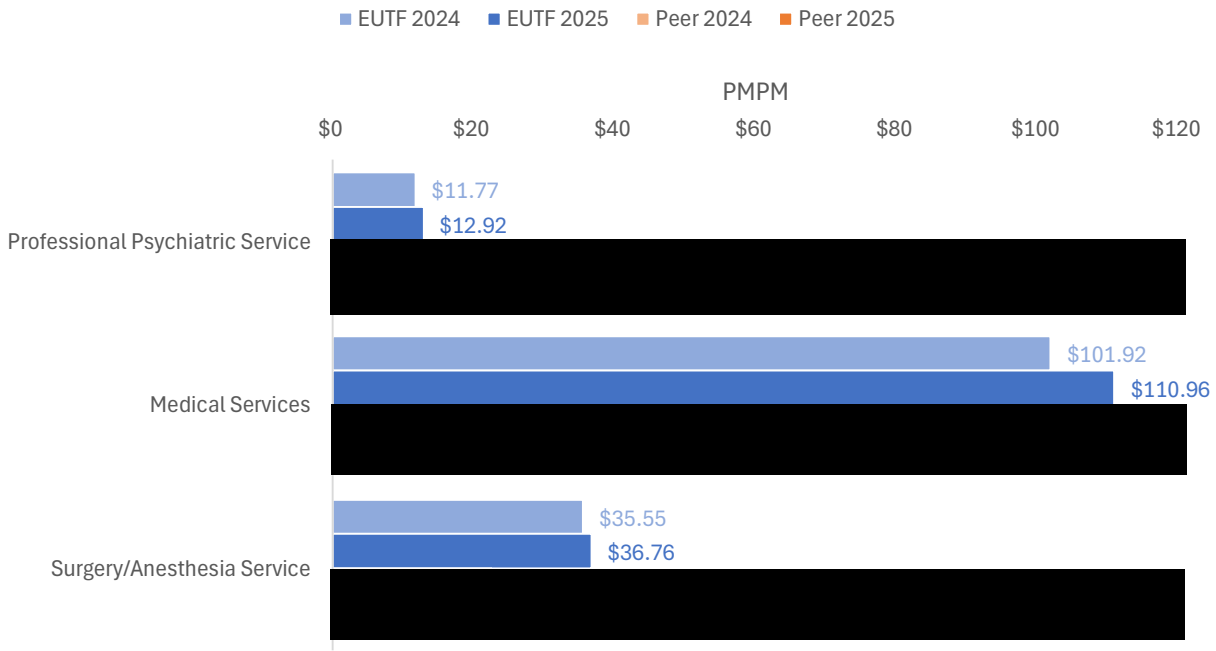
Facility Outpatient Surgery - ASC	2024	2025	% Chg	[redacted]
PMPM	$61.33	$63.59	3.7%	[redacted]
Cost/Visit	$3,239	$3,460	6.8%	[redacted]
Visits/1k	227.2	220.5	-2.9%	[redacted]

Top Facility Outpatient Surgery – ASC Service Categories (PMPM)

- PMPM differences largely driven by increased utilization of EUTF population.
- Utilization consistent with age difference between EUTF and peer population.

Service Category	EUTF 2024	EUTF 2025	$ Chg	[redacted]
COLONOSCOPY AND BIOPSY	$11.26	$10.99	($0.26)	[redacted]
DME AND SUPPLIES	$3.80	$5.52	$1.72	[redacted]
LENS AND CATARACT PROCEDURES	$3.21	$3.99	$0.78	[redacted]
OTHER THERAPEUTIC PROCEDURES ON MUSCLES AND TENDONS	$2.68	$2.72	$0.05	[redacted]
HIP REPLACEMENT, TOTAL AND PARTIAL	$1.86	$2.58	$0.72	[redacted]

Professional Services – Non-Medicare Retiree



Misc/Other	EUTF 2024	EUTF 2025	% Chg	[redacted]
Professional Psychiatric Service	$11.77	$12.92	9.8%	[redacted]
Medical Services	$101.92	$110.96	8.9%	[redacted]
Surgery/Anesthesia Service	$35.55	$36.76	3.4%	[redacted]
Total	**$149.24**	**$160.64**	**7.6%**	[redacted]

Professional Psychiatric Service
Continuing increase in psychiatric service utilization.

Professional Psychiatric Service	2024	2025	% Chg	[redacted]
PMPM	$11.77	$12.92	9.8%	[redacted]
Cost/Svc	$63.90	$57.51	-10.0%	[redacted]
Svcs/1k	2,211	2,697	22.0%	[redacted]

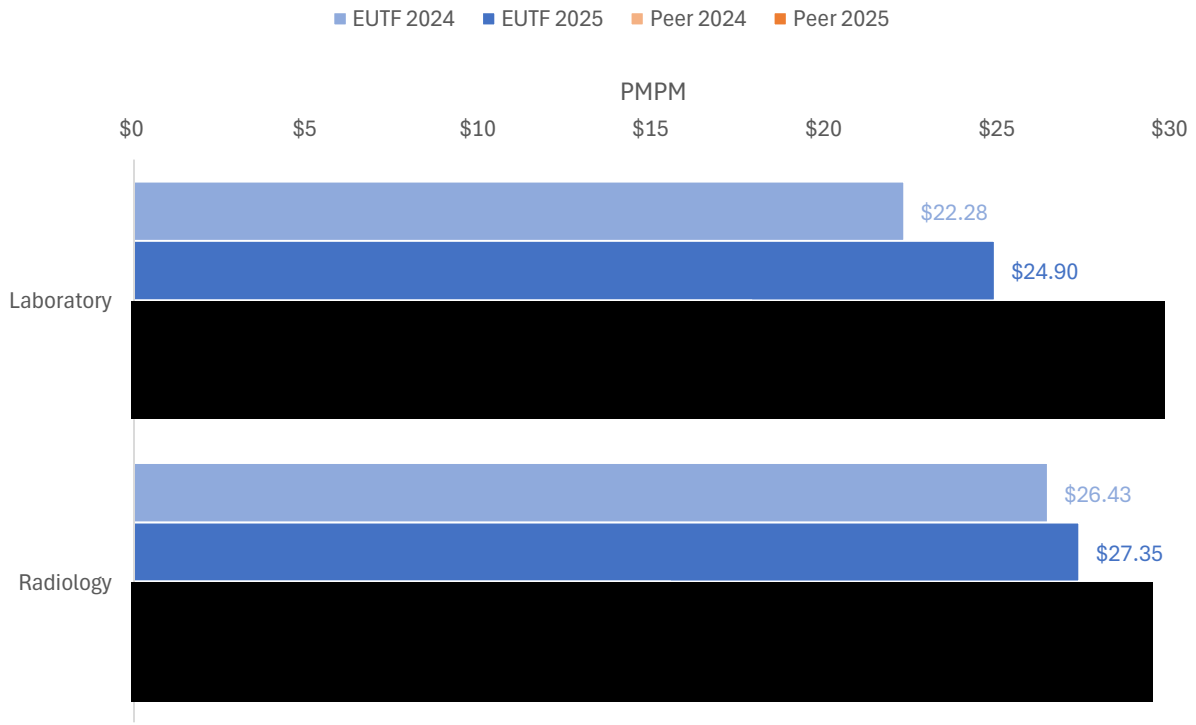
Medical Services
PMPM differences largely driven by higher EUTF utilization.

Medical Services	2024	2025	% Chg	[redacted]
PMPM	$101.92	$110.96	8.9%	[redacted]
Cost/Svc	$65.59	$67.89	3.5%	[redacted]
Svcs/1k	18,645	19,612	5.2%	[redacted]

Top Medical Service Categories (PMPM)
Difference from peer largely driven by utilization, is consistent with age difference.

Service Category	EUTF 2024	EUTF 2025	$ Chg	[redacted]	[redacted]	[redacted]
Office/Other Outpatient Services	$36.77	$37.91	$1.14	[redacted]	[redacted]	[redacted]
Immunization Injections	$9.53	$11.62	$2.10	[redacted]	[redacted]	[redacted]
Radiation Oncology	$11.30	$11.39	$0.09	[redacted]	[redacted]	[redacted]
Physical Medicine and Rehabilitation	$9.71	$9.94	$0.23	[redacted]	[redacted]	[redacted]
Hospital Inpatient Services	$3.40	$4.55	$1.15	[redacted]	[redacted]	[redacted]

Lab/Radiology – Non-Medicare Retiree



Lab/Radiology	EUTF 2024	EUTF 2025	% Chg	[redacted]
Laboratory	$22.28	$24.90	11.8%	[redacted]
Radiology	$26.43	$27.35	3.5%	[redacted]
Total	**$48.71**	**$52.24**	**7.3%**	[redacted]

Laboratory and Radiology PMPM differences from peer are largely driven by higher rates of utilization, consistent with expectations given age difference. [redacted]

Laboratory

Laboratory	2024	2025	% Chg	[redacted]
PMPM	$22.28	$24.90	11.8%	[redacted]
Cost/Svc	$24.96	$25.72	3.0%	[redacted]
Svcs/1k	10,709	11,616	8.5%	[redacted]

Top Laboratory Service Categories (PMPM)

Service Category	EUTF 2024	EUTF 2025	$ Chg	[redacted]
Chemistry - Clinical	$6.93	$7.81	$0.88	[redacted]
Organ or Disease Oriented Panels - Clinical	$5.74	$5.97	$0.22	[redacted]
Surgical Pathology - Clinical	$2.31	$2.58	$0.27	[redacted]
Microbiology - Clinical	$2.21	$2.29	$0.08	[redacted]
Hematology and Coagulation - Clinical	$1.10	$1.50	$0.41	[redacted]

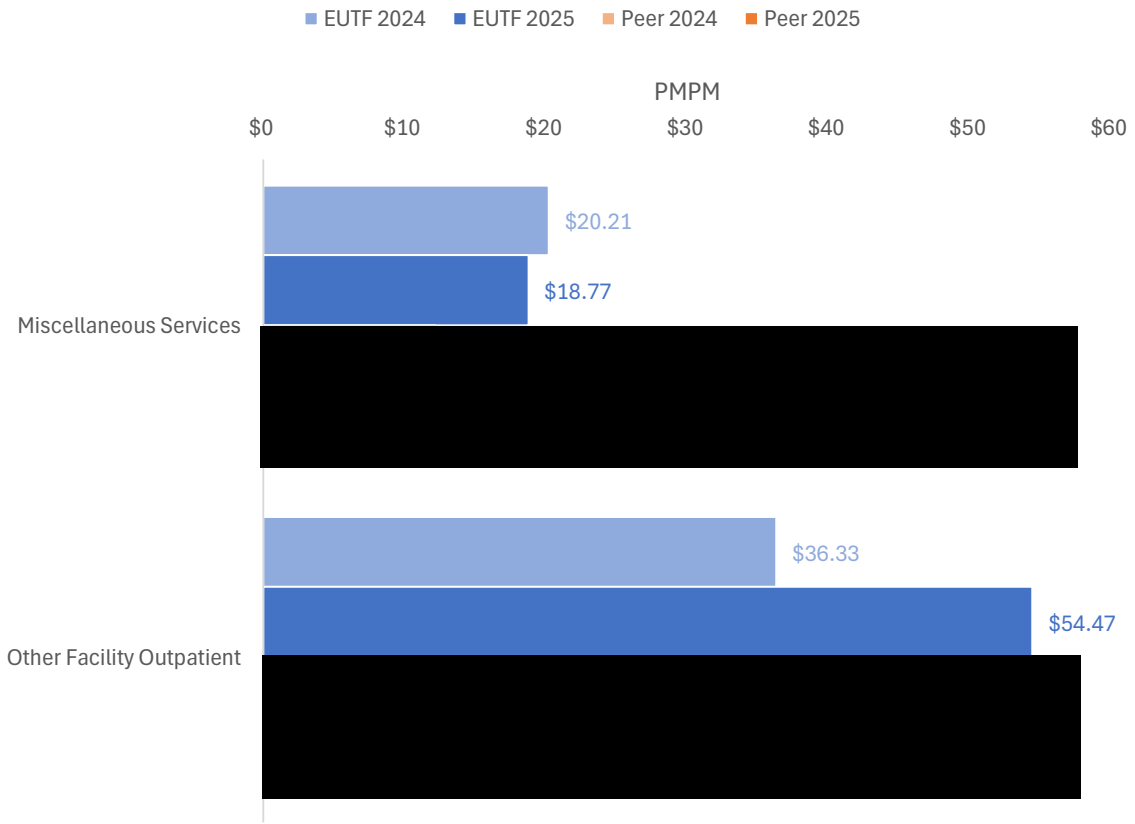
Radiology

Radiology	2024	2025	% Chg	[redacted]
PMPM	$26.43	$27.35	3.5%	[redacted]
Cost/Svc	$109.51	$107.41	-1.9%	[redacted]
Svcs/1k	2,897	3,055	5.5%	[redacted]

Top Radiology Service Categories (PMPM)

Service Category	EUTF 2024	EUTF 2025	$ Chg	[redacted]
Breast, Mammography	$5.57	$6.42	$0.84	[redacted]
MRI Scans	$5.65	$5.80	$0.15	[redacted]
CT Scans	$6.06	$5.06	($0.99)	[redacted]
Nuclear Medicine	$2.59	$3.13	$0.54	[redacted]
Diagnostic Ultrasound	$2.47	$2.70	$0.23	[redacted]

Misc/Other – Non-Medicare Retiree



Misc/Other	EUTF 2024	EUTF 2025	% Chg	[redacted]
Miscellaneous Services	$20.21	$18.77	-7.1%	
Other Facility Outpatient	$36.33	$54.47	49.9%	
Total	**$56.54**	**$73.24**	**29.5%**	

Miscellaneous Services

A broad residual category, includes services such as ambulance transport and durable medical equipment (DME)

- PMPM decrease largely from fewer emergency air transportation.

Miscellaneous Services	2024	2025	% Chg	[redacted]
PMPM	$20.21	$18.77	-7.1%	
Cost/Svc	$95.22	$69.10	-27.4%	
Svcs/1k	2,547	3,260	28.0%	

Other Facility Outpatient

Facility delivered services that do not fall into standard hospital categories, including dialysis clinics and endoscopy centers.

Other Facility Outpatient	2024	2025	% Chg	[redacted]
PMPM	$36.33	$54.47	49.9%	
Cost/Svc	$305.33	$375.09	22.8%	
Svcs/1k	1,428	1,743	22.1%	

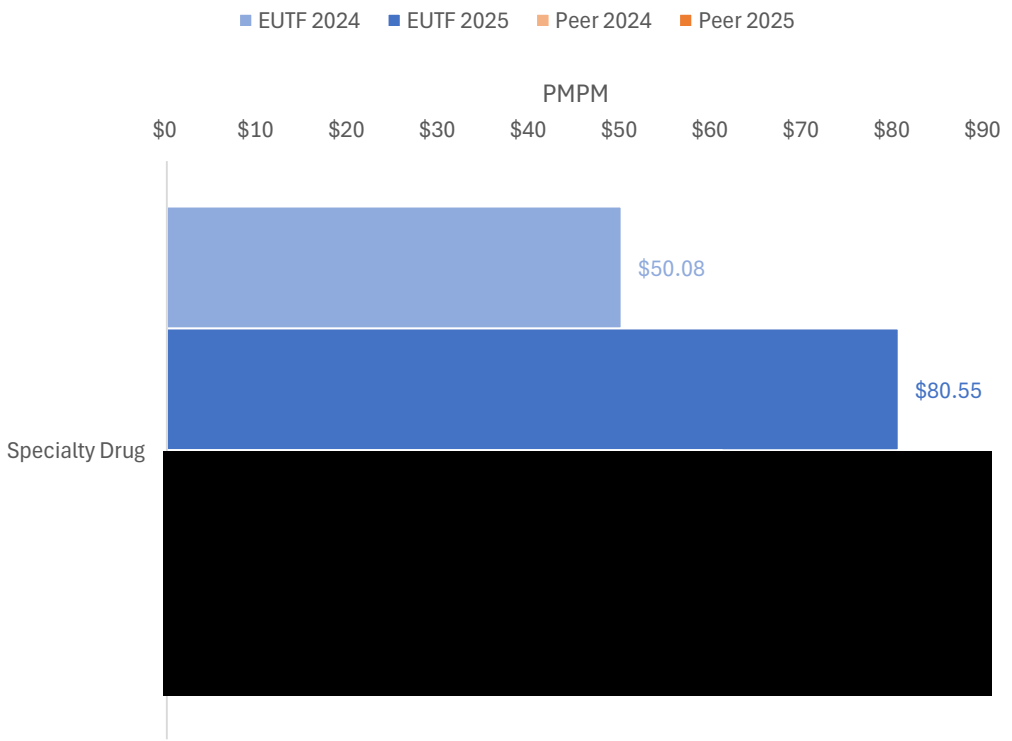
Dialysis Services

- 31% increase in unique dialysis members.
- Cost per service increase driven by single member utilizing out of state dialysis through BCBS provider. Individual accounts for 41% of EUTF dialysis spend.
- BCBS contract is a percentage of bill charge, and we are unable to disclose the actual bill charge amount. HMSA is a bundled payment similar to Medicare for dialysis services.

Dialysis Services	2024	2025	% Chg	[redacted]
PMPM	$12.00	$29.10	142.5%	
Svcs/1k	411.7	605.1	47.0%	
Cost/Svc	$350	$577	65.0%	

- Misc/Other is a residual category encompassing services as ambulance transportation, durable medical equipment (DME) and dialysis services.

Specialty Drug – Non-Medicare Retiree



	EUTF 2024	EUTF 2025	% Chg	[redacted]
Specialty Drug	$50.08	$80.55	60.8%	[redacted]

Specialty Drug
Increase driven by a combination of increased utilization and cost per service.

Specialty Drug	2024	2025	% Chg	[redacted]
PMPM	$50.08	$80.55	60.8%	[redacted]
Cost/Svc	$1,723	$2,237	29.8%	[redacted]
Svcs/1k	348.8	432.1	23.9%	[redacted]

Top Therapeutic Classes

Therapeutic Class PMPM	EUTF 2024	EUTF 2025	% Chg	[redacted]
ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	$22.19	$44.83	102.0%	[redacted]
GOUT AGENTS	$12.05	$13.79	14.5%	[redacted]
ENDOCRINE AND METABOLIC AGENTS	$5.49	$8.88	61.8%	[redacted]
PASSIVE IMMUNIZING AGENTS	$2.56	$5.15	101.3%	[redacted]
OPHTHALMIC AGENTS	$2.67	$4.13	54.5%	[redacted]

Antineoplastics: Used in the treatment of cancer.
- Unique utilizers relatively flat. Spend increase from utilization of higher cost drugs.

Gout Agents: Used in treatment for gout.
- Only 4 unique members, up from 3 in prior year. Similar claims count despite an additional user.

Endocrine and Metabolic Agents: Includes therapies hormone production.
- Cost per claim caused by shift towards higher cost drug (Prolia).

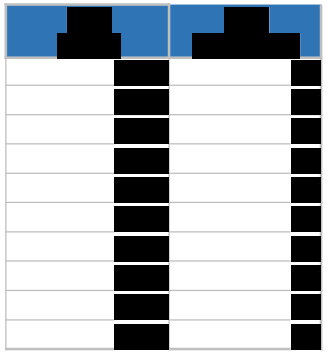
Passive Immunizing Agents: Treatments delivering antibodies directly to the body to provide immune protection.
- Gammagard approved in 2025, utilization shifting towards this new higher costing drug.

Ophthalmic Agents: Medications used for treatment of the eyes.
- Shift towards higher costing medications.

Note: Effective 7/1/23, specialty medications dispensed and administered outside of retail or specialty pharmacy environments–such as clinics, infusion centers, facilities, or physician's office–are covered under the HMSA medical plan.

Top Specialty Drugs – Non-Medicare Retiree

Curr Rank	$ Change	Drug Name	Therapeutic Class	Utilizers	Claims	Total Cost	Cost/Claim	% of Total Cost	PMPM	Claims / 1k	Prev Rank
1	$172,395	KRYSTEXXA	GOUT AGENTS	4	49	$1,618,628	$33,033	17.1%	$13.79	4.9	1
2	$564,259	KEYTRUDA	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	20	109	$1,370,669	$12,575	14.5%	$11.68	10.9	2
3	#N/A	ABECMA	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	1	1	$771,336	$771,336	8.2%	$6.57	0.1	#N/A
4	#N/A	BLINCYTO	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	1	8	$680,162	$85,020	7.2%	$5.80	0.8	#N/A
5	($33,544)	PERJETA	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	7	45	$463,095	$10,291	4.9%	$3.95	4.5	3
6	#N/A	TALVEY	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	1	6	$375,949	$62,658	4.0%	$3.20	0.6	#N/A
7	$260,418	DARZALEX	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	3	33	$305,459	$9,256	3.2%	$2.60	3.3	24
8	#N/A	GAMMAGARD	PASSIVE IMMUNIZING AGENTS	9	46	$298,008	$6,478	3.2%	$2.54	4.6	#N/A
9	$32,109	EVENITY	ENDOCRINE AND METABOLIC AGENTS - MISC.	16	85	$284,102	$3,342	3.0%	$2.42	8.5	4
10	#N/A	TEPEZZA	ENDOCRINE AND METABOLIC AGENTS - MISC.	1	8	$275,172	$34,396	2.9%	$2.34	0.8	#N/A



Highlights

1. Low-volume high-cost antineoplastics dominate specialty drug costs.
2. Krystexxa remains top drug year over year.

EUTF Active Plans

July 2025 – December 2025

Key Terms and Background

Reporting Period	**Current Plan Year:** Incurred July 2025 – December 2025, Paid through March 2026. *Data for historical periods are based on a full 12-months, incurred during plan year (July – June) , paid through September of the following year.*
Year-over-Year (YoY)	Metric used to represent the percentage change from the prior plan year to the current plan year. **For this Report:** Plan Year 2025 vs Plan Year 2026
Benchmark/Peer	HMSA Merit Rated Group (MRG), Retro Rate Group (RRG) , Alternative Financing Methods (AFM) / Administrative Services Only (ASO) Groups
Compound Annual Growth Rate (CAGR)	Metric used to represent an annualized trend over a set period; for purposes of this report, over a four-year period. **Four Year CAGR:** Plan Year 2022 vs Plan Year 2026
Per Member Per Month (PMPM)	Industry standard metric for comparing overall expenditures which adjusts for fluctuation in membership.
Services/Admissions per 1,000	Industry standard metric of the overall utilization of a service which adjusts for changes in membership over time.
Exclusions	HSTA VB | EUTF Part-Time/ Temp Plan | Chiropractic Claims

Executive Summary - EUTF Actives

Membership

- 3% enrollment increase.
- Increased enrollment movement towards 75/25 plan, 6.8% increase.

Total: $392.48 PMPM (-1.8%)

Inpatient: $105.77 PMPM (-9.9%)

- 6% lower rate of admission in early PY 2026.

Professional: $111.35 PMPM (+6.8%)

- 11% increase in Professional Psychiatry PMPM, largely driven by rate increases for therapist services.
- 31% increase in Immunization Injections PMPM, seasonality of interim period also plays a factor.

Specialty Drug: $29.54 PMPM (-11.8%)

- 11% increase in Antineoplastic PMPM, lower utilization offset by higher individual drug costs.
- Decrease in Endocrine/Metabolic agents and Gout agents utilization.

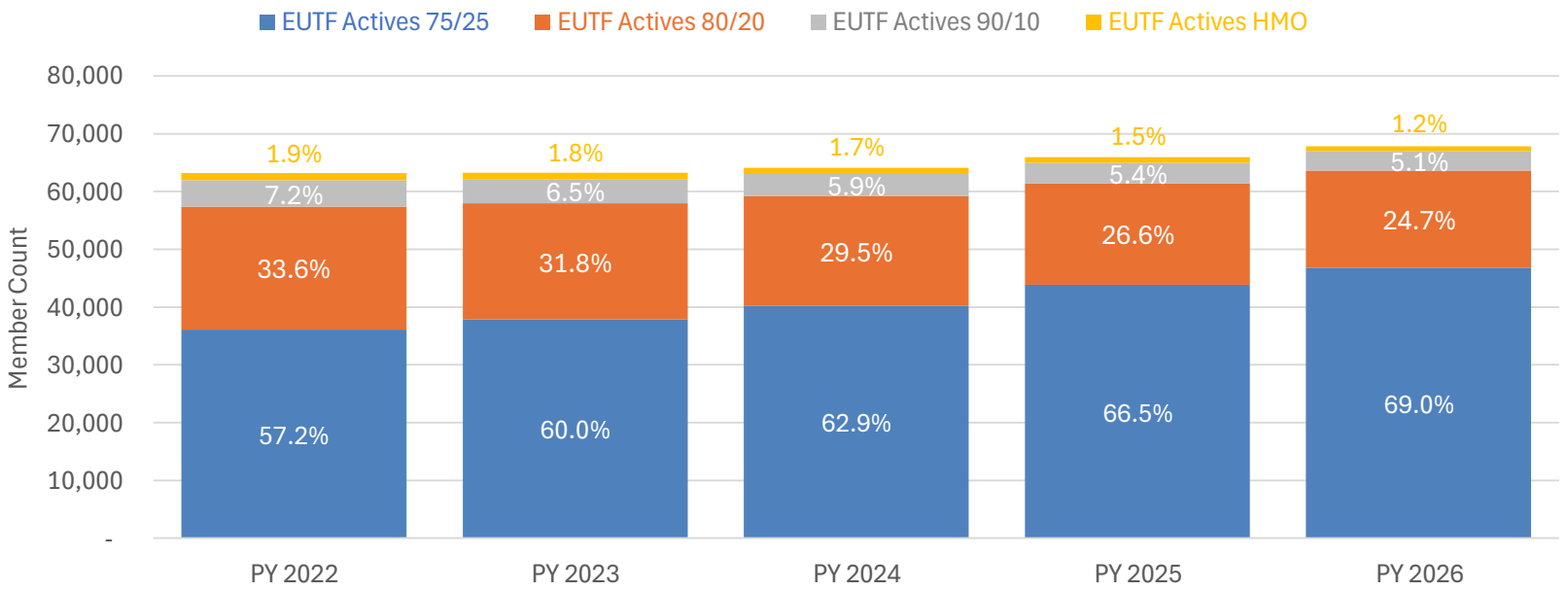
Member Out-of-Pocket Maximum

- A small proportion of members reached the out-of-pocket maximum in CY 2025, with 3.5% in the 90/10 and 3.1% in the 80/20 plans, compared to 1.0% in 75/25 and 1.4% in the HMO.

Deductibles (75/25)

- Approximately 20.2% of 75/25 members met the deductible in CY 2025.

Enrollment - Plan Breakdown



Highlights

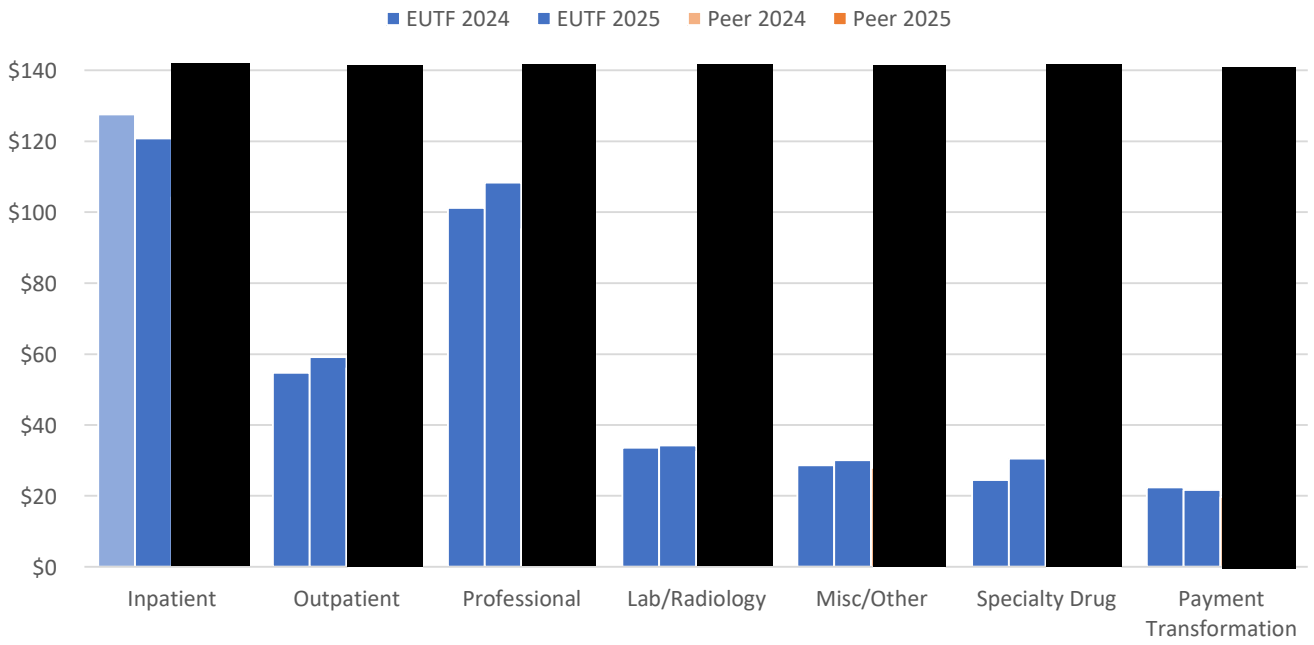
- 75/25 Enrollment continues to increase. Pace of growth is also accelerating.

	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	YoY	CAGR (4-Year)
EUTF Actives 75/25	36,138	37,905	40,299	43,865	46,839	6.8%	6.7%
EUTF Actives 80/20	21,254	20,077	18,924	17,559	16,774	-4.5%	-5.7%
EUTF Actives 90/10	4,554	4,084	3,808	3,528	3,473	-1.6%	-6.6%
EUTF Actives HMO	1,223	1,156	1,070	962	788	-18.1%	-10.4%
All EUTF Actives	**63,169**	**63,222**	**64,101**	**65,914**	**67,874**	**3.0%**	**1.8%**

PMPM Trend Comparison - Actives

	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	YoY	CAGR (4-Year)
EUTF Actives 75/25	$255.91	$272.00	$306.11	$322.70	$309.77	-4.0%	4.9%
EUTF Actives 80/20	$404.08	$430.50	$507.45	$500.65	$508.42	1.6%	5.9%
EUTF Actives 90/10	$512.28	$556.84	$668.73	$722.40	$805.42	11.5%	12.0%
EUTF Actives HMO	$592.99	$647.27	$559.52	$770.67	$954.10	23.8%	12.6%
All EUTF Actives	**$331.55**	**$348.56**	**$392.38**	**$399.62**	**$392.48**	**-1.8%**	**4.3%**
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

PMPM by Trend Category



Trend Category	EUTF 2025	EUTF 2026	% Chg	CAGR (4-Year)	[redacted]
Inpatient	$117.41	$105.77	-9.9%	1.3%	
Outpatient	$57.38	$60.46	5.4%	8.2%	
Professional	$104.31	$111.35	6.8%	5.8%	
Lab/Radiology	$34.51	$35.66	3.3%	1.0%	
Misc./Other	$29.90	$28.25	-5.5%	1.6%	
Specialty Drug	$33.51	$29.54	-11.8%	17.1%	
Payment Transformation	$22.60	$21.45	-5.1%	-0.4%	
Total	**$399.62**	**$392.48**	**-1.8%**	**4.3%**	

Inpatient

- 6% lower rate of admissions in early PY 2026.

Inpatient	EUTF PY 2025	EUTF PY 2026	% Chg	[redacted]
Facility Inpatient - Acute	$115.73	$103.84	-10.3%	
Facility Inpatient - SNF	$1.68	$1.93	14.6%	

Professional

- 11% increase in Professional Psychiatry PMPM, largely driven by rate increases for therapists.
- 31% increase in Immunization Injections PMPM, partially due to seasonality of interim period.

Professional	EUTF PY 2025	EUTF PY 2026	% Chg	[redacted]
Professional Psych	$15.94	$17.76	11.4%	
Medical Services	$66.05	$71.15	7.7%	
Surgery/Anesthesia	$22.31	$22.45	0.6%	

Specialty Drug

- 11% drug increase in Antineoplastic PMPM, lower utilization, but higher individual cost.
- Offset by decreases in Endocrine/Metabolic agents and Gout agents.

- Specialty Drugs discrepancy from peer largely due to retail or specialty pharmacy fills being covered by the prescription drug plan.
- Payment Transformation is HMSA's Primary Care Payment Model which shifts reimbursement to a per member per month global payment. Participating PCPs must have one of the following specialties: APRN, Family Practice, General Practice, Internist, Pediatric, or Naturopathic

Maximum Out of Pocket – Actives

	90/10	80/20	75/25	HMO
MOOP Amount (Individual | Family)	$2,000 | $4,000	$2,500 | $5,000	$5,000 | $10,000	$1,500 | $3,000
# Hitting MOOP	170	643	447	12
Average Enrollment Count	4,870	21,020	45,058	887
% Hitting MOOP	3.5%	3.1%	1.0%	1.4%

Data for calendar year 2025

Deductible – Actives 75/25

	75/25
Deducible Amount (Individual | Family)	$300 | $900
# Hitting Deductible	9,105
Average Enrollment Count	45,058
% Hitting Deductible	20.2%

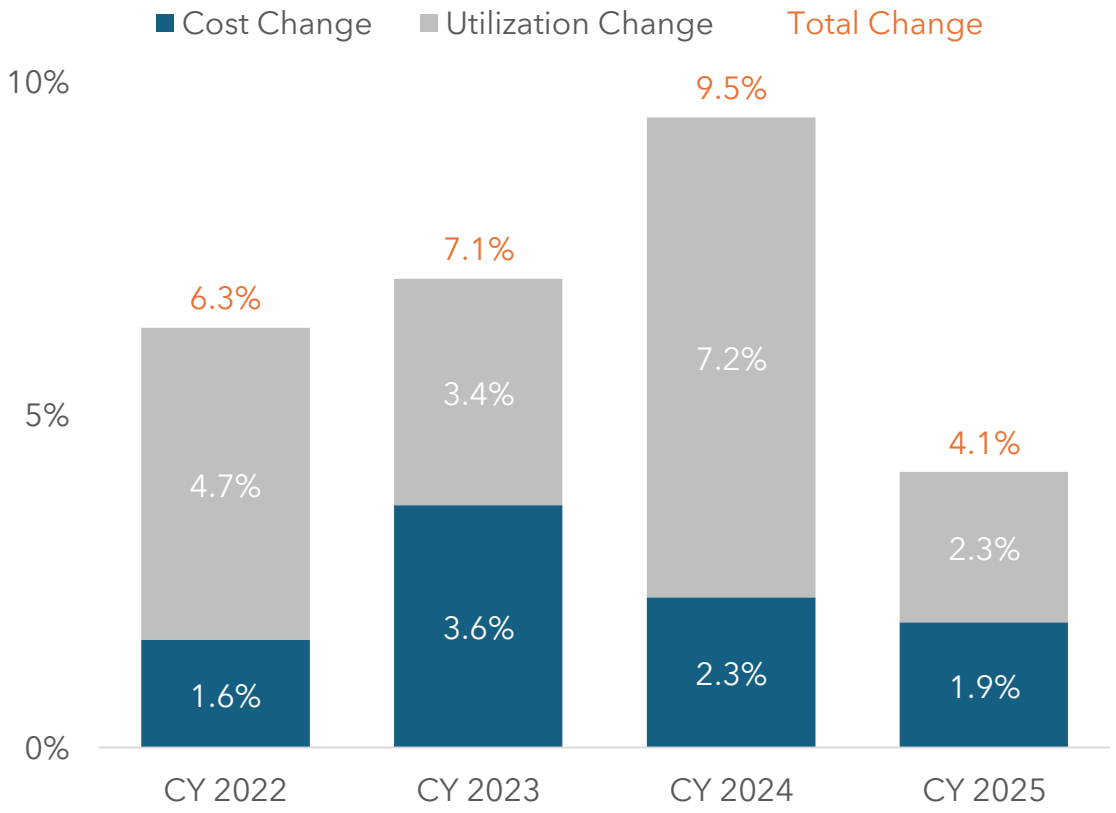
QUESTIONS?

MAHALO!

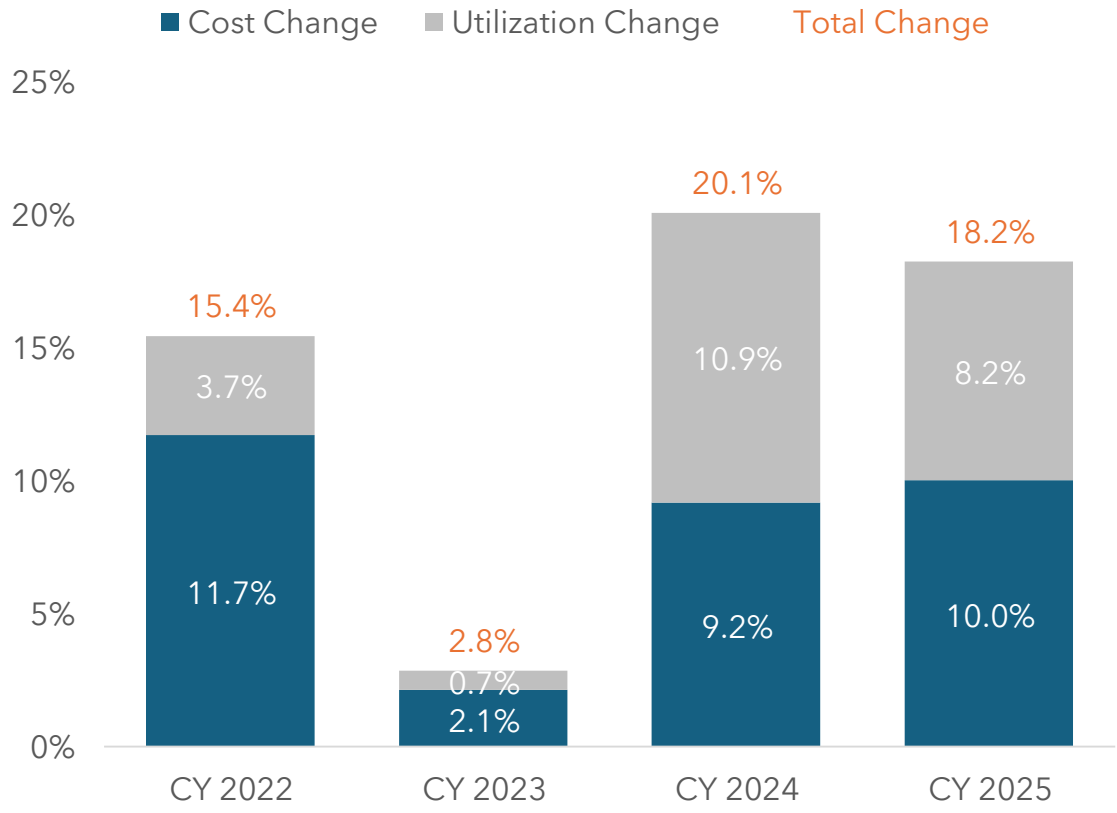
Appendix

Cost and Utilization changes year over year

Medicare Retiree



Non-Medicare Retiree



Cost Change - Weighted year over year percentage change in cost per service
Utilization Change - Weighted year over year percentage change in services per 1,000
Payment Transformation Payments not included in calculation

High-Cost Claimants

Medicare Retiree

ID	Reimbursement	Trend Category	Admission Category	Diagnosis	Out of State	Resolved
1	$1,199,250	Miscellaneous Services	Not Applicable	Non-pressure ulcer of skin	Y	Y
2	$680,626	Miscellaneous Services	Not Applicable	Diabetes mellitus with complication	Y	Y
3	$671,187	Specialty Drug	Not Applicable	Multiple myeloma	N	N
4	$643,361	Specialty Drug	Not Applicable	Encounter for antineoplastic therapies	N	Y
5	$580,071	Miscellaneous Services	Not Applicable	Complication of other surgical or medical care, injury, subsequent encounter	Y	N
6	$568,334	Facility Inpatient - Acute	Surgical	Chronic kidney disease	Y	Y

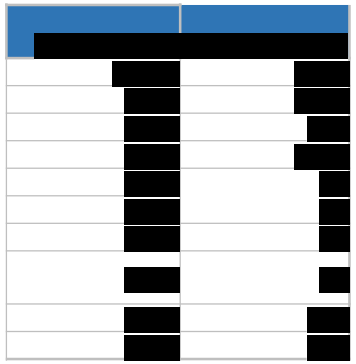
Non-Medicare Retiree

ID	Reimbursement	Trend Category	Admission Category	Diagnosis	Out of State	Resolved
1	$2,687,879	Facility Inpatient - Acute	Medical	Encounter for antineoplastic therapies	Y	N
2	$1,430,297	Specialty Drug	Not Applicable	Multiple myeloma	N	N
3	$1,324,559	Facility Inpatient - Acute	Medical	Aortic; peripheral; and visceral artery aneurysms	N	Y
4	$1,109,015	Other Facility Outpatient	Not Applicable	Chronic kidney disease	Y	N
5	$1,004,297	Specialty Drug	Not Applicable	Leukemia - acute lymphoblastic leukemia (ALL)	Y	Y
6	$959,256	Facility Inpatient - Acute	Surgical	Complication of internal orthopedic device or implant, initial encounter	N	Y
7	$889,451	Specialty Drug	Not Applicable	Gout	N	N
8	$751,750	Specialty Drug	Not Applicable	Gout	N	N
9	$629,275	Facility Inpatient - Acute	Surgical	Intestinal obstruction and ileus	Y	Y
10	$595,304	Facility Inpatient - Acute	Medical	Secondary malignancies	Y	N
11	$510,292	Facility Inpatient - Acute	Surgical	Acute pulmonary embolism	N	N

Top Therapeutic Classes

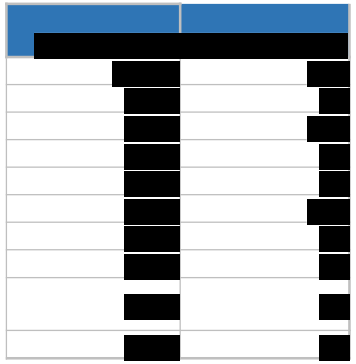
Medicare Retiree

Curr Rank	$ Change	Therapeutic Class	Utilizers	Claims	Total Cost	Cost/Claim	% of Total Cost	PMPM	Cost per Claim	Claims / 1k
1	$6,323,687	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	2,253	8,716	$34,188,895	$3,923	52.6%	$58.89	180.2	1
2	$1,290,635	ENDOCRINE AND METABOLIC AGENTS - MISC.	3,746	7,835	$12,488,674	$1,594	19.2%	$21.51	162.0	2
3	$744,831	OPHTHALMIC AGENTS	883	2,608	$4,910,893	$1,883	7.6%	$8.46	53.9	3
4	$615,299	HEMATOPOIETIC AGENTS	1,523	6,631	$3,368,828	$508	5.2%	$5.80	137.1	5
5	($475,092)	ANALGESICS - ANTI-INFLAMMATORY	140	856	$2,443,715	$2,855	3.8%	$4.21	17.7	4
6	$619,671	DERMATOLOGICALS	165	343	$2,060,091	$6,006	3.2%	$3.55	7.1	6
7	$278,810	GASTROINTESTINAL AGENTS - MISC.	96	641	$1,265,590	$1,974	1.9%	$2.18	13.3	7
8	$154,931	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	65	271	$946,486	$3,493	1.5%	$1.63	5.6	8
9	$6,329	ASSORTED CLASSES	241	1,343	$739,070	$550	1.1%	$1.27	27.8	9
10	$73,604	PASSIVE IMMUNIZING AGENTS	84	431	$721,270	$1,673	1.1%	$1.24	8.9	10



Non-Medicare Retiree

Curr Rank	$ Change	Therapeutic Class	Utilizers	Claims	Total Cost	Cost/Claim	% of Total Cost	PMPM	Cost per Claim	Claims / 1k
1	$2,597,195	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	263	1,118	$5,261,376	$4,706	55.7%	$44.83	114.3	1
2	$172,395	GOUT AGENTS	4	49	$1,618,628	$33,033	17.1%	$13.79	5.0	2
3	$383,359	ENDOCRINE AND METABOLIC AGENTS - MISC.	131	532	$1,042,305	$1,959	11.0%	$8.88	54.4	3
4	$297,411	PASSIVE IMMUNIZING AGENTS	17	111	$604,679	$5,448	6.4%	$5.15	11.3	5
5	$163,737	OPHTHALMIC AGENTS	48	180	$484,354	$2,691	5.1%	$4.13	18.4	4
6	($6,325)	HEMATOPOIETIC AGENTS	163	789	$157,061	$199	1.7%	$1.34	80.7	6
7	($12,236)	GASTROINTESTINAL AGENTS - MISC.	5	41	$83,025	$2,025	0.9%	$0.71	4.2	8
8	$28,839	ASSORTED CLASSES	10	39	$68,055	$1,745	0.7%	$0.58	4.0	10
9	($39,559)	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	2	5	$50,580	$10,116	0.5%	$0.43	0.5	9
10	$997	NEUROMUSCULAR AGENTS	32	71	$32,903	$463	0.3%	$0.28	7.3	12



- Specialty drugs not covered under the EUTF medical plan or picked up from a Specialty Pharmacy have been removed from the peer plan.
- The "Assorted Classes" category within the GPI-2 hierarchy captures specialty drugs not classified under major therapeutic groups, such as Vyvgart (an Fc receptor blocker for myasthenia gravis), Saphnelo (an interferon receptor antagonist for lupus), and Sylvant (an interleukin-6 inhibitor for Castleman's disease).

Specialty Drug by Management Category

Group	Category	PMPM CY 2023	PMPM CY 2024	PMPM CY 2025	Prop of PMPM CY 2023	Prop of PMPM CY 2024	Prop of PMPM CY 2025
EUTF Medicare Retiree	Preferred Drug	$4.78	$6.30	$5.80	6.3%	6.6%	5.2%
EUTF Medicare Retiree	Non-Preferred Drug	$5.45	$6.38	$7.17	7.2%	6.7%	6.4%
EUTF Medicare Retiree	Managed Therapy	$57.09	$73.09	$88.74	75.6%	76.2%	79.2%
EUTF Medicare Retiree	Monitored Therapy	$8.24	$10.11	$10.34	10.9%	10.5%	9.2%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
EUTF Non-Medicare Retiree	Preferred Drug	$4.82	$4.91	$3.90	15.5%	9.8%	4.8%
EUTF Non-Medicare Retiree	Non-Preferred Drug	$0.70	$0.94	$0.87	2.3%	1.9%	1.1%
EUTF Non-Medicare Retiree	Managed Therapy	$21.01	$40.68	$70.98	67.4%	81.2%	88.1%
EUTF Non-Medicare Retiree	Monitored Therapy	$4.63	$3.56	$4.81	14.9%	7.1%	6.0%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Category	**Definition**
Preferred Drug	Drug is the preferred drug in a preferred drug strategy.
Non-Preferred Drug	Drug is the non-preferred drug in a preferred drug strategy.
Managed Therapy	Drug has utilization management requirements.
Monitored Therapy	Drug does not require prior authorization (Pharmacy Management still monitors utilization).

Low-Intensity ER Utilization

EUTF Medicare and Non-Medicare

	Low-Intensity Rate					Low Intensity Services per 1,000				
	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
HAWAII	31.1%	24.2%	23.9%	25.7%	22.9%	86.9	74.8	76.2	75.0	69.9
KAUAI	5.3%	7.0%	7.2%	7.6%	8.2%	16.4	26.0	26.9	30.4	32.6
LANAI	25.8%	8.0%	12.8%	2.0%	13.3%	73.2	35.4	52.1	9.0	53.5
MAUI	8.1%	10.4%	11.8%	9.2%	10.9%	16.3	27.8	34.4	26.8	32.8
MOLOKAI	10.8%	10.7%	14.2%	14.0%	11.4%	68.0	30.2	44.5	47.8	70.4
OAHU	7.8%	8.4%	7.6%	6.7%	5.8%	20.9	23.8	21.7	19.4	19.4
TOTAL	**11.8%**	**11.3%**	**10.8%**	**10.1%**	**9.1%**	**28.3**	**29.3**	**28.8**	**26.9**	**27.0**

Non-Medicare Peer

	Low-Intensity Rate					Services per 1,000				
	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
[redacted]										

Managing Emergency Room Utilization

Utilizer Outreach

- In late 2023, letters were mailed, and follow-up calls were done by the Model Of Care (MOC) call center to members with a recent 'avoidable' ER visit.
- After the campaign ended, we did not see a reduction in ER usage or an uptick in urgent care or telephone calls from this outreach campaign.
- There was a positive uptick in PCP visits.

Utilization severity categorized via CPT code range 99281 – 99285. Low severity utilization is identified via 99281 & 99282.

Prior-Authorization- EUTF Retirees

Metric	2024	2025	% Change	[redacted]
PA Requests	10,539	10,516	-0.2%	
Approvals	9,425	9,303	-1.3%	
Approval Rate	89.4%	88.5%	-0.9%	
Denial Rate	10.6%	11.5%	0.9%	
Appeals Overturned Rate	43.9%	39.9%	-4.0%	
Unique Members	6,168	6,120	-0.8%	

Pre-Authorization Denials by Reason

Denial Reason	2024	2025	% Change
Administrative Denial*	1,020	1,097	7.5%
Benefit Maximum Met	1	0	-100.0%
Criteria Not Met	9	9	0.0%
Not a Covered Benefit	9	25	177.8%
Not Medically Necessary	76	82	7.9%

*Administrative Denial: A pre-authorization denial issued for non-clinical reasons, including but not limited to CPT and diagnosis code mismatches, member ineligibility, duplicate requests, or missing/incorrect submission data. These denials are not related to plan benefits or medical-necessity criteria.

Inpatient - Retiree

All EUTF Retirees	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-Year)
PMPM	$240.00	$267.60	$281.05	$304.61	$304.80	0.1%	6.2%
Average Length of Stay	9.6	10.0	9.7	9.3	9.6	3.9%	0.0%
Admissions per 1000	133.0	142.1	149.8	157.7	157.6	0.0%	4.3%
Average Cost	$21,660	$22,599	$22,507	$23,182	$23,202	0.1%	1.7%

EUTF Medicare Retirees	EUTF 2024	EUTF 2025	% Change
PMPM	$338.39	$330.63	-2.3%
Average Length of Stay	9.4	9.8	3.6%
Admissions per 1000	181.3	179.9	-0.8%
Average Cost	$22,400	$22,054	-1.5%

EUTF Non-Medicare Retirees	EUTF 2024	EUTF 2025	% Change
PMPM	$143.07	$177.05	23.8%
Average Length of Stay	6.2	7.1	14.0%
Admissions per 1000	44.8	47.5	6.2%
Average Cost	$38,333	$44,687	16.6%

Outpatient - Retiree

All EUTF Retirees	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-Year)
PMPM	$77.25	$84.99	$90.06	$97.85	$105.70	8.0%	8.2%
Admissions per 1000	507.1	555.1	566.1	607.2	631.1	3.9%	5.6%
Average Cost	$1,828	$1,837	$1,909	$1,934	$2,010	3.9%	2.4%

EUTF Medicare Retirees	EUTF 2024	EUTF 2025	% Change	[redacted]
PMPM	$100.34	$109.44	9.1%	[redacted]
Admissions per 1000	647.0	677.7	4.8%	[redacted]
Average Cost	$1,861	$1,938	4.1%	[redacted]

EUTF Non-Medicare Retirees	EUTF 2024	EUTF 2025	% Change	[redacted]
PMPM	$85.92	$87.20	1.5%	[redacted]
Admissions per 1000	416.8	400.6	-3.9%	[redacted]
Average Cost	$2,474	$2,612	5.6%	[redacted]

Professional - Retiree

All EUTF Retirees	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-Year)
PMPM	$196.75	$199.67	$211.66	$229.22	$234.86	2.5%	4.5%
Services per 1,000	29,803	30,544	31,796	34,297	35,910	4.7%	4.8%
Average Cost	$79.22	$78.44	$79.88	$80.20	$78.48	-2.1%	-0.2%

EUTF Medicare Retirees	EUTF 2024	EUTF 2025	% Change	[redacted]
PMPM	$245.94	$249.86	1.6%	[redacted]
Services per 1,000	36,421	37,978	4.3%	[redacted]
Average Cost	$81.03	$78.95	-2.6%	[redacted]

EUTF Non-Medicare Retirees	EUTF 2024	EUTF 2025	% Change	[redacted]
PMPM	$149.24	$160.64	7.6%	[redacted]
Services per 1,000	24,143	25,681	6.4%	[redacted]
Average Cost	$74.18	$75.06	1.2%	[redacted]

Lab/Radiology - Retiree

All EUTF Retirees	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-Year)
PMPM	$47.03	$48.89	$49.62	$53.43	$56.10	5.0%	4.5%
Services per 1,000	17,597	17,986	17,250	17,369	18,187	4.7%	0.8%
Average Cost	$32.07	$32.62	$34.52	$36.91	$37.02	0.3%	3.6%

EUTF Medicare Retirees	EUTF 2024	EUTF 2025	% Change	[redacted]
PMPM	$54.41	$56.88	4.5%	[redacted]
Services per 1,000	18,156	18,898	4.1%	[redacted]
Average Cost	$35.96	$36.12	0.4%	[redacted]

EUTF Non-Medicare Retirees	EUTF 2024	EUTF 2025	% Change	[redacted]
PMPM	$48.71	$52.24	7.3%	[redacted]
Services per 1,000	13,606	14,671	7.8%	[redacted]
Average Cost	$42.96	$42.73	-0.5%	[redacted]

Misc./Other - Retiree

All EUTF Retirees	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-Year)
PMPM	$106.95	$109.87	$125.74	$141.05	$158.74	12.5%	10.4%
Services per 1,000	7,723	7,687	7,858	8,622	9,276	7.6%	4.7%
Average Cost	$166.18	$171.51	$192.02	$196.32	$205.36	4.6%	5.4%

EUTF Medicare Retirees	EUTF 2024	EUTF 2025	% Change
PMPM	$158.72	$176.02	10.9%
Services per 1,000	9,593	10,140	5.7%
Average Cost	$198.54	$208.32	4.9%

EUTF Non-Medicare Retirees	EUTF 2024	EUTF 2025	% Change
PMPM	$56.54	$73.24	29.5%
Services per 1,000	3,975	5,003	25.9%
Average Cost	$170.69	$175.68	2.9%

Note: Specialty Drug has separated into its own category. Much, but not all of Specialty Drug costs previously fell within this category.

Specialty Drug - Retiree

All EUTF Retirees	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	YoY	CAGR (4-Year)
PMPM	$53.05	$61.91	$67.72	$87.96	$106.75	21.4%	19.1%
Services per 1,000	456.4	470.0	473.6	555.1	576.0	3.8%	6.0%
Average Cost	$1,394.91	$1,580.67	$1,715.78	$1,901.64	$2,223.96	16.9%	12.4%

EUTF Medicare Retirees	EUTF 2024	EUTF 2025	% Change	[redacted]
PMPM	$95.88	$112.04	16.9%	[redacted]
Services per 1,000	598.2	605.1	1.1%	[redacted]
Average Cost	$1,923	$2,222	15.5%	[redacted]

EUTF Non-Medicare Retirees	EUTF 2024	EUTF 2025	% Change	[redacted]
PMPM	$50.08	$80.55	60.8%	[redacted]
Services per 1,000	348.8	432.1	23.9%	[redacted]
Average Cost	$1,723	$2,237	29.8%	[redacted]

Proportion of Total Visits Handled Virtually

	2020	2021	2022	2023	2024	2025
EUTF Actives	27.1%	27.6%	27.0%	23.6%	23.3%	25.5%
EUTF Retirees	22.3%	19.0%	18.2%	15.3%	16.1%	15.6%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

- Total Visits is the sum of Virtual and In-Person Visits
- Virtual Visits include HMSA Online Care
- In-Person Visits limited to the following criteria:

  Trend Category: Medical and Professional Psychiatric

  AND

  Service Line Top Codes: Office/Other Outpatient Services, Psychiatric Services, Consultations, Preventive Medicine Services, and Disease Management/Education

  AND

  Place of Service: 11 – Office, 20 – Urgent Care Facility

Network Utilization

Non-Par spend is generally decreasing over time.

Proportion of Spend Non-Par	CY 2023	CY 2024	CY 2025
EUTF Non-Medicare Retiree	1.2%	0.6%	0.7%
[redacted]	[redacted]	[redacted]	[redacted]
EUTF Medicare Retiree	0.2%	0.3%	0.3%
[redacted]	[redacted]	[redacted]	[redacted]

Top Inpatient Facilities	Reimbursement	Admits
QUEEN'S MEDICAL CENTER	$ 53,006,923	2,244
STRAUB BENIOFF MEDICAL CENTER	$ 22,836,908	889
PALI MOMI MEDICAL CENTER	$ 15,962,387	778
HILO BENIOFF MEDICAL CENTER	$ 14,475,188	703
MAUI HEALTH SYSTEM A KAISER FOUNDATION HOSPITALS LLC	$ 10,681,317	379

Top Outpatient Facilities	Reimbursement	Visits
QUEEN'S MEDICAL CENTER	$ 15,220,553	6,351
PALI MOMI MEDICAL CENTER	$ 6,010,071	3,401
STRAUB BENIOFF MEDICAL CENTER	$ 5,738,291	2,581
HILO BENIOFF MEDICAL CENTER	$ 4,948,438	2,590
ADVENTIST HEALTH CASTLE	$ 4,041,772	2,726

Behavioral Health Utilization

Behavioral Health spend as a proportion of total spend relatively flat.

NM Retirees	2023	2024	2025	% Chg
Inpatient	$3.74	$1.95	$1.63	-16.4%
Outpatient	$0.78	$0.43	$0.33	-22.8%
Professional	$14.33	$14.58	$19.36	32.8%
Total	**$18.86**	**$16.96**	**$21.33**	**25.7%**
% of Spend	4.0%	3.0%	3.3%	7.0%
Inpatient Admits/1k	2.6	2.8	1.4	-48.9%
Outpatient Visits/1k	6.0	4.1	2.4	-42.6%

MC Retirees	2023	2024	2025	% Chg
Inpatient	$4.92	$4.23	$3.98	-6.0%
Outpatient	$0.83	$1.17	$1.16	-1.2%
Professional	$26.08	$27.64	$32.71	18.3%
Total	**$31.82**	**$33.05**	**$37.84**	**14.5%**
% of Spend	0.7%	0.7%	0.7%	6.4%
Inpatient Admits/1k	0.8	0.7	0.8	16.3%
Outpatient Visits/1k	2.6	2.4	2.9	23.4%

April 30, 2026

To: Board of Trustees
Hawaii Employer-Union Health Benefits Trust Fund

From: Gabe Hellinger, Senior Account Executive
Humana

Subject: 2025 Plan Compass Report-Hawaii EUTF

	2024	2025	Change	Peer[1]
Enrollment				
Average members	77	101	31.2%	--
Average age	74.6	74.3	-0.4%	77.5
Distribution by location				
Hawaii	46	56	21.7%	--
Mainland	31	45[2]	45.2%	--

[1] The peer is Humana's PPO Group Medicare Book of Business, excluding your group.

[2] Membership on the mainland is dispersed with Nevada and Texas each having 8 EUTF retirees.

EUTF has approximately 100 lives enrolled with Humana. They are community-rated with year-over-year performance subject to volatility. EUTF saw a 31.2% membership increase from 2024 to 2025 which impacts overall utilization.

	2024	2025	Change	Peer[1]
PMPM Trend				
Medical net paid PMPM	$622.25	$767.79	23.4%	--
Pharmacy net paid PMPM[2]	$8.73	$10.36	18.7%	14.1%
Total net paid PMPM	$630.98	$778.15	**23.3%**	--

[1] The peer is Humana's PPO Group Medicare Book of Business, excluding your group.

[2] Limited to only Part B pharmacy claims processed by Humana.

Compared to Humana's BoB, EUTF's pharmacy PMPM paid increase is in line with what we are seeing for other clients. Medical PMPM trend is attributable to increased Inpatient admits/1,000 (+129.9%) and Ambulatory surgery center visits/1,000 (+666.5%). This type of volatility is expected in small groups where a few claimants can skew metrics.

Additional cost drivers impacting our groups and the industry as a whole include:

- Medical inflation and unit pricing trends
- Increased utilization of high-cost therapies
- Regulatory changes such as those under the Inflation Reduction Act

It is not unusual to have 100% of members with an endocrine diagnosis given their age. Most Medicare-eligible members see an endocrinologist or have been diagnosed with pre-diabetes or diabetes. Other common conditions include thyroid disorders, bone health and adrenal issues.

Humana has a "Star Rating" of 3.5. A Medicare Star Rating is based on a 1 to 5 scale and used to measure the quality and performance of Medicare Advantage and Part D plans. This helps beneficiaries compare plans and access special enrollment opportunities.

As part of Humana Communications with all of our members; EUTF members may receive information from us promoting such topics as In-Home Wellness Assessments (IHWA), gaps in care messaging, etc.

In-Home Wellness Assessments is a yearly detailed health review conducted in the comfort of a members home, providing an extra set of eyes and ears for their doctor so they can feel more in control of their own health and well-being.

Members may receive a call from one of our IHWA vendors, Signify Health or Matrix Medical Network, to schedule their assessment. If members have questions, they may ask when they call or contact Humana at the phone number listed on the back of their member ID card.

Attachments

1. Utilization Scorecard (page 13)

2. Prevalence Summary (page 15)

Utilization Scorecard - HAWAII EUTF (320121)
Reporting Period: 01/01/2025 - 12/31/2025

Monitoring plan utilization allows the plan sponsor to be aware of adverse trends and overall cost of care on the plan. Generally, rising Primary Care utilization is favorable. Additionally, we encourage greater use of ambulatory surgical centers and urgent care facilities, based on the severity of the conditions.

	Group Utilization		% Change	Peer	% In-Network
	Current	Prior		Current	Current
Office Visits					89%
Primary Care Visits per 1,000	2,693	2,790	-3.5%	4,323	
Specialist Care Visits per 1,000	7,158	5,399	32.6%	9,538	
Inpatient Care					90%
Acute Hospital Admits per 1,000	149	65	129.9%	222	
Acute Hospital Days per 1,000	772	517	49.5%	1,204	
Case Mix Index	2.33	2.75	-15.2%	---	
Long Term Acute Care Admits per 1,000	---	---	---	0.40	
Outpatient Care					94%
Ambulatory Surgical Center Visits per 1,000	99	13	666.5%	135	
Other Outpatient Procedures per 1,000	3,059	2,002	52.8%	6,095	
Outpatient Hospital Surgeries per 1,000	198	168	17.9%	515	
Emergency Room					94%
Visits per 1,000	168	245	-31.4%	414	
% of Repeat ER Visits	---	14%	-14.3%	---	
% of Inappropriate ER Visits	18%	16%	1.9%	---	
Urgent Care					76%
Visits per 1,000	376	439	-14.3%	222	
Urgent Care to ER	30	26	15.0%	---	
Ancilllary Services*					
Ancillary Visits per 1,000	5,059	6,601	-23.3%	6,324	
Other Services**	7,257	7,182	1.1%	11,081	
Pharmacy					
Prescriptions per 1,000	871	814	7.1%	774	

**Ancillary Services include ambulance, behavioral health, chiropractic services, durable medical equipment (DME), and home health services.*

***Other Services includes paid amounts for facility based physicians, freestanding labs, skilled nursing facilities, inpatient rehabilitation facilities, and inpatient/outpatient physician services.*

Prevalence Summary - HAWAII EUTF (320121)
Reporting Period: 01/01/2025 - 12/31/2025

The unique number of members diagnosed with a particular condition identifies the conditions for which your members are seeking treatment and the degree to which conditions are common in your population. Abnormally high prevalence as compared to the peer may be an indication of a present or future concern for the group, especially for conditions that require expensive treatments.

Top 10 Medical Condition Categories - by Prevalence

Current Rank	Prior Rank	Medical Condition Category	Active Members Diagnosed	Prevalence %	Peer	Medical % of Spend	
						Current	Prior
1	1	ENDOCRINE, NUTRITIONAL AND METABOLIC DISEASES	101	100.0%	88.3%	2.9%	3.9%
2	3	DISEASES OF THE CIRCULATORY SYSTEM	76	75.2%	84.9%	16.2%	21.7%
3	2	DISEASES OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE	73	72.3%	75.1%	11.1%	6.7%
4	4	DISEASES OF THE EYE AND ADNEXA	60	59.4%	50.0%	4.0%	1.4%
5	4	DISEASES OF THE GENITOURINARY SYSTEM	60	59.4%	59.7%	2.1%	5.1%
6	6	DISEASES OF THE RESPIRATORY SYSTEM	46	45.5%	47.9%	2.1%	2.0%
7	8	DISEASES OF THE NERVOUS SYSTEM AND SENSE ORGANS	46	45.5%	52.2%	1.7%	2.2%
8	6	DISEASES OF THE SKIN AND SUBCUTANEOUS TISSUE	45	44.6%	52.5%	1.8%	1.8%
9	9	DISEASES OF THE DIGESTIVE SYSTEM	44	43.6%	52.3%	5.2%	1.2%
10	9	NEOPLASMS	37	36.6%	45.9%	5.9%	8.7%
						53.1%	54.6%

Top 3 Medical Condition Categories - by Spend

#1 INJURY, POISONING AND CERTAIN OTHER CONSEQUENCES OF EXTERNAL CAUSES

	Current	Prior	Change
# of Members Diagnosed	27	12	
Medical % of Spend	21.7%	2.7%	19.0%
Large Claimant Impact on Spend %	11.7%	0.0%	11.7%

#2 DISEASES OF THE CIRCULATORY SYSTEM

	Current	Prior	Change
# of Members Diagnosed	76	50	
Medical % of Spend	16.2%	21.7%	-5.5%
Large Claimant Impact on Spend %	0.0%	0.0%	0.0%

#3 DISEASES OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE

	Current	Prior	Change
# of Members Diagnosed	73	56	
Medical % of Spend	11.1%	6.7%	4.4%
Large Claimant Impact on Spend %	0.0%	0.0%	0.0%

While all conditions warrant attention, heightened concern may be appropriate when a high prevalence of Diabetes, Cancer, or heart-related ailments are present. Additionally, highly acute conditions such as injury, motor vehicle accidents, etc., may be heavily impacting current plan costs.

Contact your Humana Account Executive to learn about Humana Clinical Programs. These programs help educate your members and encourage them to get the correct treatment at the best place of treatment possible.

PUBLIC

Redacted for the public

DELTA DENTAL

HDS
Hawaii Dental Service

EUTF BE WELL BE STRONG

EUTF BENEFITS COMMITTEE MEETING
May 19, 2026

EUTF & HSTA VB Retirees Annual Utilization Report

January – December 2025

PRESENTED BY

Stacia Baek
Strategic Account Executive

ANALYST

Lawrence Lau
Sr. Pricing & Underwriting Analyst

DELTA DENTAL

HDS
Hawaii Dental Service

EUTF & HSTA VB RETIREES

Key Terms and Background

POPULATION	EUTF Retirees | HSTA VB Retirees
REPORTING PERIOD CURRENT:	Incurred from January – December 2025, Paid through March 2026 *Historical claims data has been updated to reflect claims paid through March 2026.*
BENCHMARK/PEERS	[redacted]
DIAGNOSTIC AND PREVENTIVE	Routine exams, x-rays, cleanings, fluoride, etc.
BASIC CARE	Fillings, root canals, oral surgeries, gum/bone surgeries and maintenance, etc.
MAJOR CARE	Crowns, bridges, dentures, implants, etc.

DELTA DENTAL

HDS
Hawaii Dental Service

EUTF & HSTA VB RETIREES

Key Insights

EUTF Retirees utilization has increased steadily over recent years. The latest 12-month period ending 12/31/2025 shows an **increase in claim cost of 5.8% over the prior period**. The increase was largely driven by a 20.8% increase in basic services due to the plan cost share enhancement from 60% to 80% effective 2025.

Enrollment: Retiree subscribers increased 0.5% from last year, while overall members increased 1.8% influenced by the July 1, 2025, dependent age change. Enrollment remains steady with gradual increases over time.

Claims Distribution: Diagnostic & Preventive utilization continues to be the largest percentage of total claims cost at 41.7%. Retirees continue to receive routine care at higher rates than HDS' Book of Business and National Peers.

Plan Maximum: 5.0% of members met their $2,000 Annual Plan Maximum, while 35.6% of members only received Diagnostic & Preventive services and 24.7% of members had no visits (no claims).

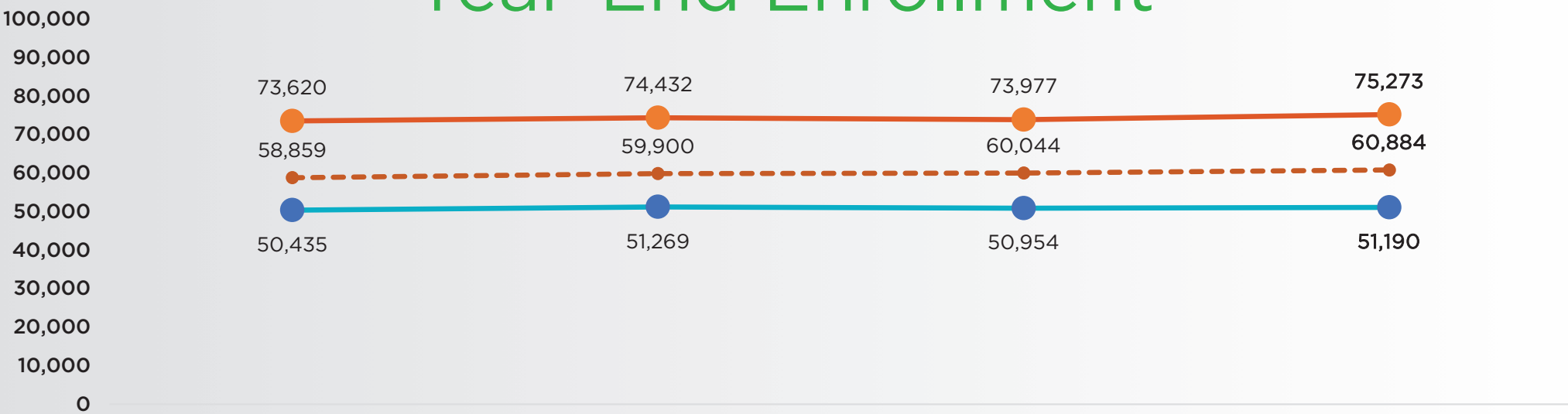
Network: Nearly 98% of members who visited a dentist saw an HDS In-Network Dentist [redacted]

DELTA DENTAL

HDS
Hawaii Dental Service

EUTF & HSTA VB RETIREES

Year-End Enrollment



Highlights

- While subscribers increased, total membership increased even more.
- Even with the subscriber growth, it remains below 2023's peak.
- The dependent age change, effective July 1, 2025, contributed to an additional 631 children or 0.85% in total membership.
- The average member age decreased from 72.6 to 72.4 years.

DELTA DENTAL

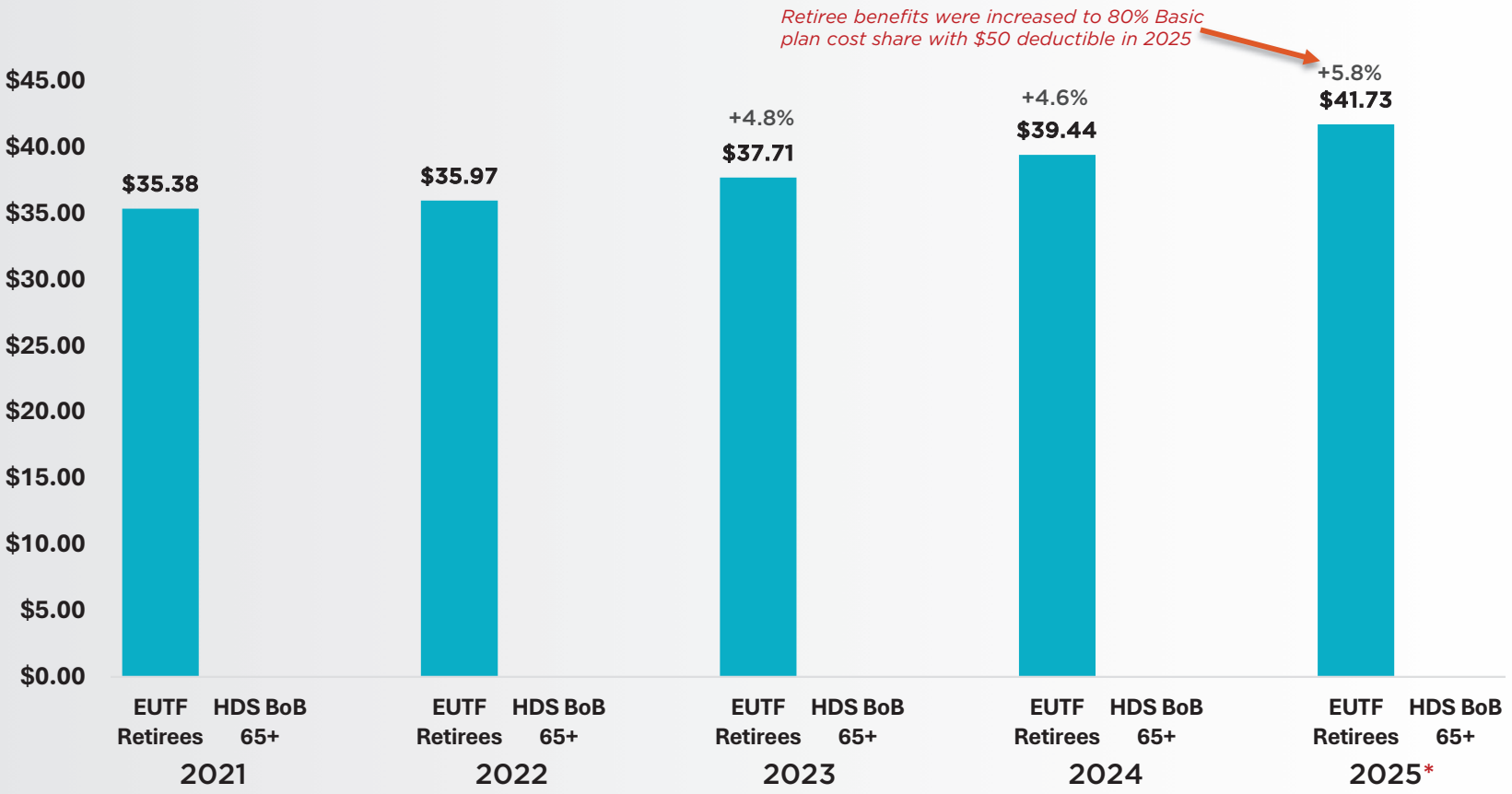
HDS
Hawaii Dental Service

EUTF & HSTA VB RETIREES

Total Claims Per Member Per Month

Highlights

- Claims PMPM is higher than HDS BoB 65+ due to EUTF's richer plan design (i.e., higher reimbursement of major & basic services and higher annual maximum benefit) and greater utilization of D&P services.
- Utilization continues to steadily increase year-over-year at a 4.2% annualized growth rate for the EUTF & HSTA VB Retirees [redacted]
- The dependent age expansion had minimal impact on overall claims due to children accounting for less than 2.5% of total claims.



*Preliminary claims PMPM with claims paid through March 2026 and subject to additional claims run-offs.

DELTA DENTAL

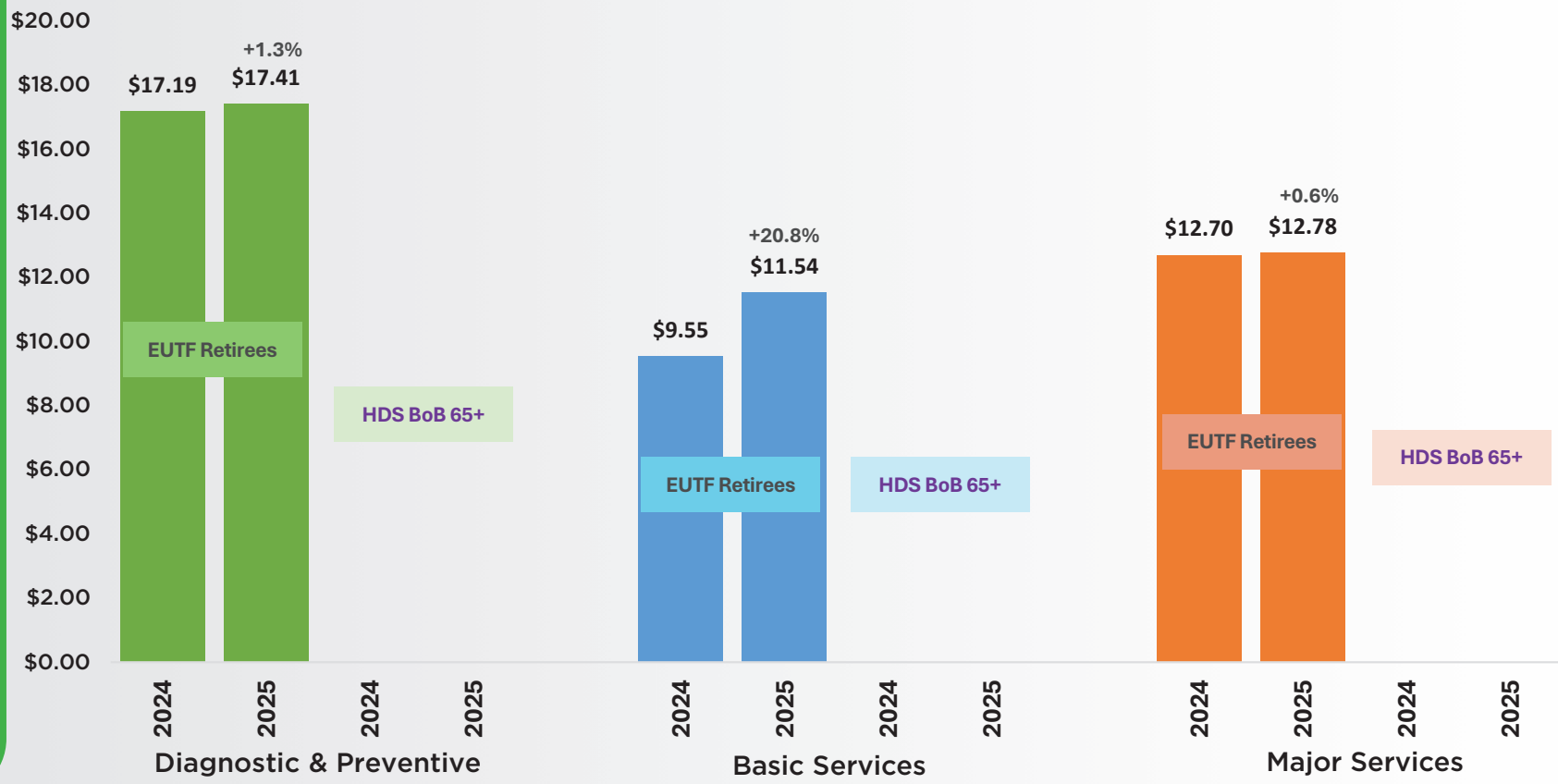
HDS Hawaii Dental Service

EUTF & HSTA VB RETIREES

Claims Per Member Per Month By Category

Highlights

- The Basic services saw a large increase in 2025 due to the 80% Basic plan cost share benefit enhancement (up from 60% in 2024).
- The Basic services benefit enhancement contributed to more than half of its trend. The Basic services claims PMPM without the enhancement would have been $10.45, representing a 9.4% increase.
- With the addition of posterior composites (white fillings on back teeth) in 2026, Basic services is likely to continue to rise.
- D&P utilization for EUTF & HSTA VB Retirees rose slightly and continues to exceed the HDS BoB as EUTF Retiree members visit their dentists at higher rates.



DELTA DENTAL

HDS Hawaii Dental Service

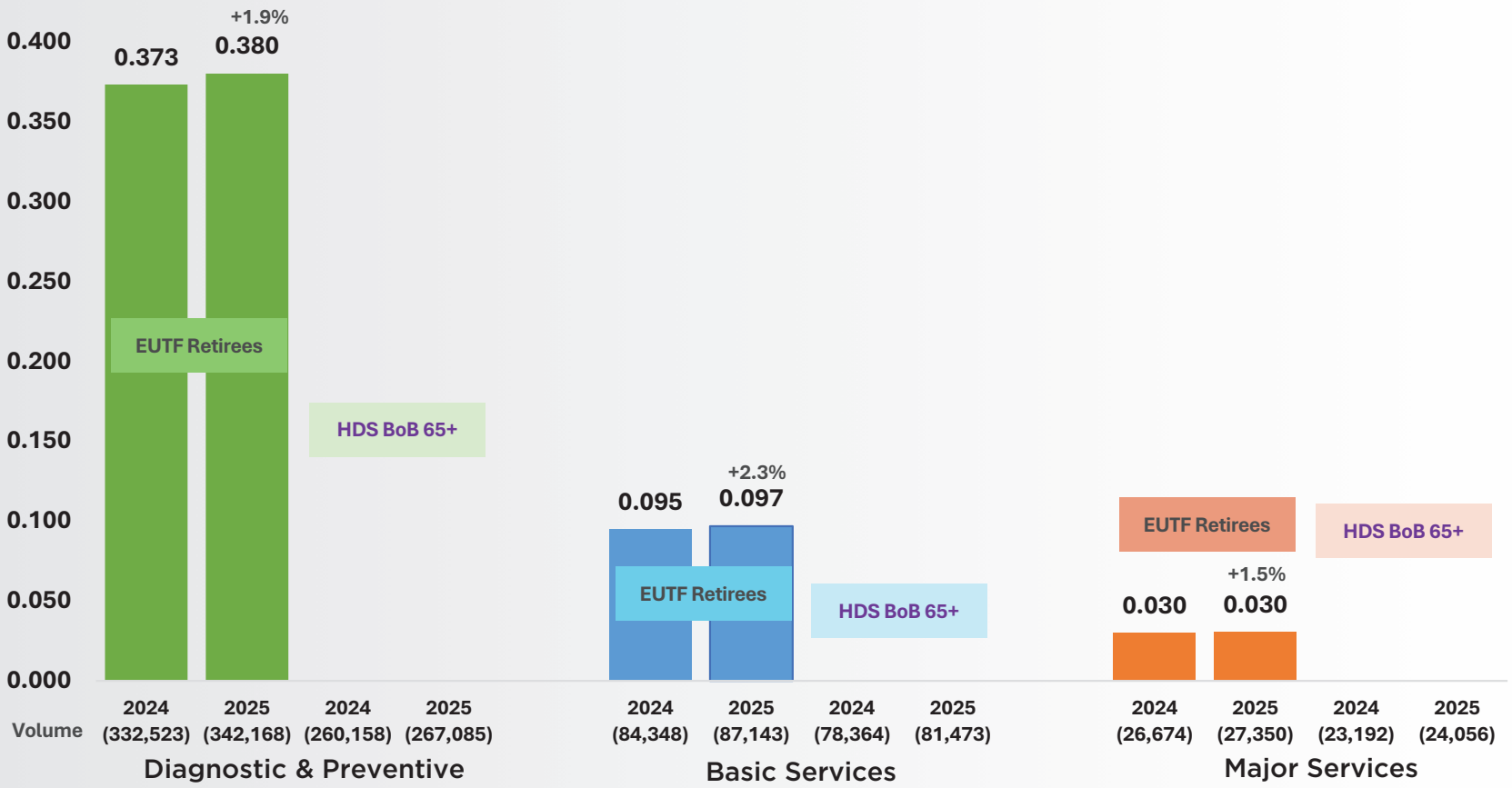
EUTF & HSTA VB RETIREES

Frequency of Services Per Member Per Month

Highlights

- Procedure volume has been increasing over time as well as the procedures per member per month.
- The increase in the procedures PMPM and benefit changes are the main factors for increased claims costs.
- The procedures PMPM are influenced by both members doing more services and more members going to the dentist (lower no visits).

[redacted]



DELTA DENTAL

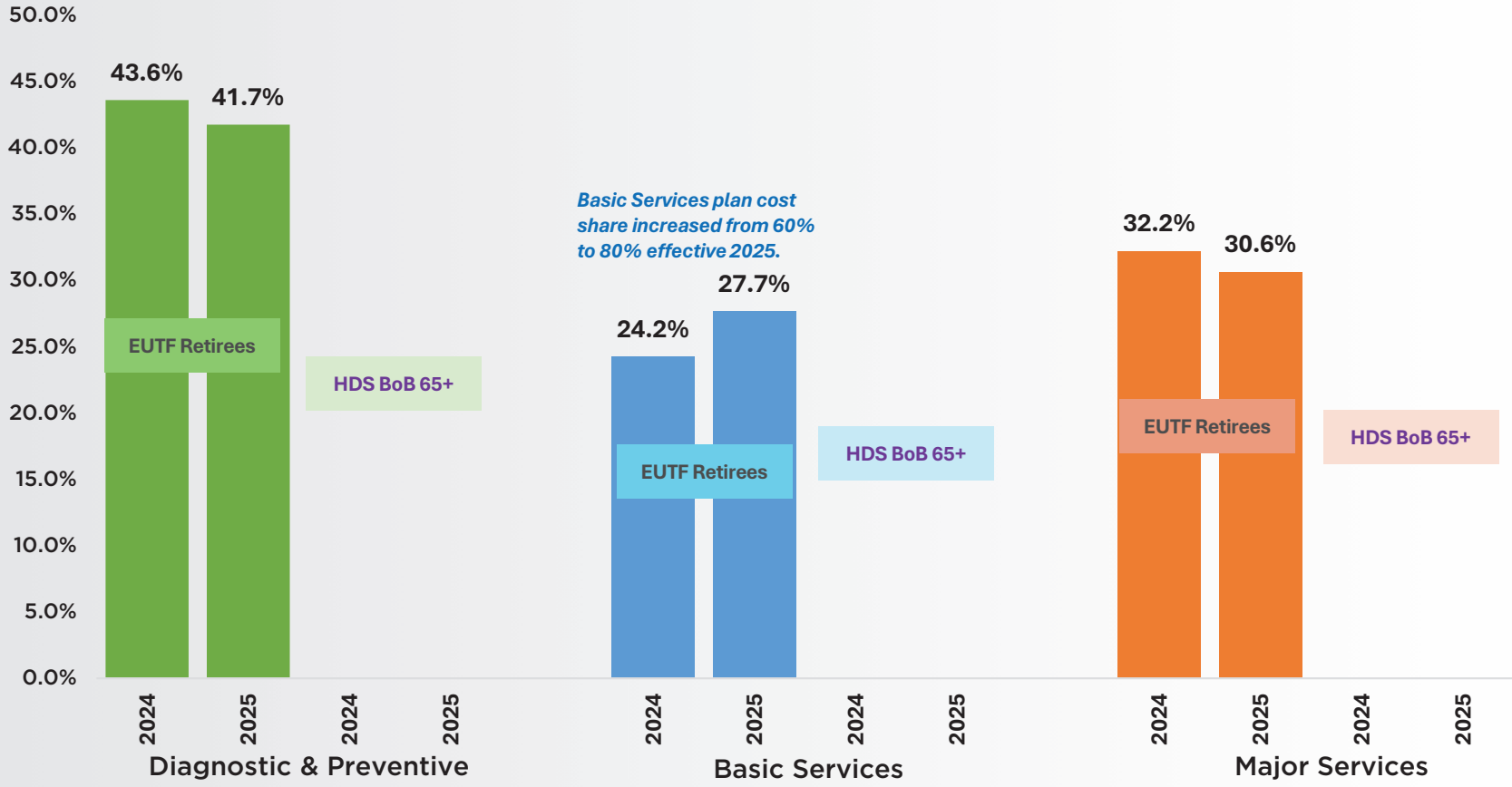
HDS Hawaii Dental Service

EUTF & HSTA VB RETIREES

Claims Distribution by Service Category

Highlights

- The distribution of services shifted more to Basic services in 2025 due to the plan cost share increase from 60% to 80% resulting in Basic claims taking a larger percentage of total claims cost.
- Despite the shift to Basic services due to the benefit change, the EUTF Retirees' D&P percentages of claims are still higher than HDS' BoB 65+.



DELTA DENTAL

HDS
Hawaii Dental Service

EUTF & HSTA VB RETIREES

Oral Exams & Cleanings 2024 and 2025

Highlights

- EUTF and HDS' continued promotion of D&P services appears to be contributing to the year-over-year decline in No Visits.
- Retirees have higher oral exam rates and cleanings compared to the HDS BoB and National Peers.
- D&P visits allow dentists to catch issues early on and avoid more costly and extensive dental work in the future to retain more of the members' natural teeth and smile.

	EUTF & HSTA VB Retirees	
	2024	2025
No Visits	22.3%	22.1%
Oral Examinations	71.4%	71.6%
Cleanings	67.7%	67.1%

[redacted]

Based on members continuously enrolled for 12 months in the plan.

DELTA DENTAL

HDS
Hawaii Dental Service

EUTF & HSTA VB RETIREES

Preventive Care 2024 and 2025

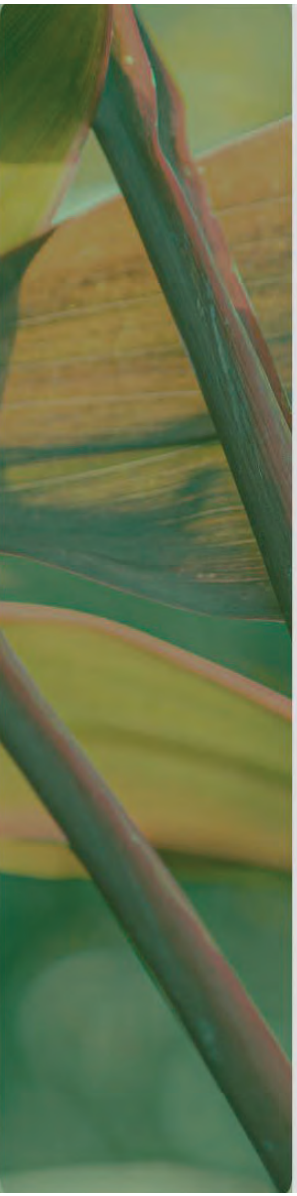
Highlights

- Percentages reflecting routine care, continuity of care, and ongoing care for gum disease were consistent between 2024 and 2025.
- EUTF & HSTA VB Retirees consistently outperform the HDS BoB and their National peers on measures for services that help to reduce the risk of preventable oral disease or recurrence of disease. This shows increased member awareness of the importance of oral health.
- It pays to see a dentist. EUTF Retirees have a lower rate of members with no prior visits than the HDS Book of Business and National Peers. Members with no prior visits incur $29 to $255 more dental costs than those with prior dental visits.

	EUTF & HSTA VB Retirees	
	2024	2025
At Least One Routine Visit*	74.2%	74.2%
Routine Exam Two Years in a Row	64.5%	64.4%
Gum Disease Members with at Least Two Follow-up Visits	74.3%	74.4%

[redacted]

Based on members continuously enrolled for 12 months in the plan.
**Routine care includes preventive and diagnostic services (routine exams, cleanings, perio maintenance, fluoride treatments, and sealants)*



HDS SMILEWell

January
Resource Library flyers:
Vaping, Find a Dentist, From Mind to Mouth. Schedule a Dentist Appointment

March
Well Aware & Holomua Newsletter: Take Care of Your Smile

June
Webinar:
Glow Goals - Your Smile Journey Starts Today

July
Mailer:
Good Health Starts with Your Smile

October
Mailer:
Sweepstakes Announcement and Schedule a Dental Check-in

October/November
Sweepstakes Activity: Smile, Steady, Adventure Ready! (Visit dentist & sign into HDS online account)

November
Webinar:
Heartfelt Smiles
The vital connections between Oral Health & Heart Disease.

2025

DELTA DENTAL

HDS
Hawaii Dental Service

EUTF & HSTA VB RETIREES

Annual Plan Maximum

% of Members	EUTF & HSTA VB Retirees	
$2,000 Plan Maximum	**2024**	**2025**
No Visits	25.1%	24.7%
Diagnostic & Preventive (D&P) Services Only	35.3%	35.6%
Less than $1,000	25.6%	24.2%
$1,000 to $1,999	10.0%	10.5%
Maximum Met $2,000	**4.0% (3,060)**	**5.0% (3,926)**

Based on members who are enrolled at any point in time in the plan.

Highlights

- 5.0% or 3,926 members reached their $2,000 plan maximum, of which an average of $1,173 were paid for Major Care services. The Basic Care plan cost share increase to 80% starting in 2025 caused more members to reach the plan maximum.
- If the retiree members were not bound by their $2,000 annual plan maximum, claims would have been $913 over the plan maximum, on average, based on claim submissions.

[redacted]

- The "No Visits" improved by 0.4% from 25.1% in 2024 to 24.7% in 2025.
- The percent of members with D&P services only improved slightly from 35.3% to 35.6%.
- About 84.5% of EUTF & HSTA members required less than $1,000 in services.

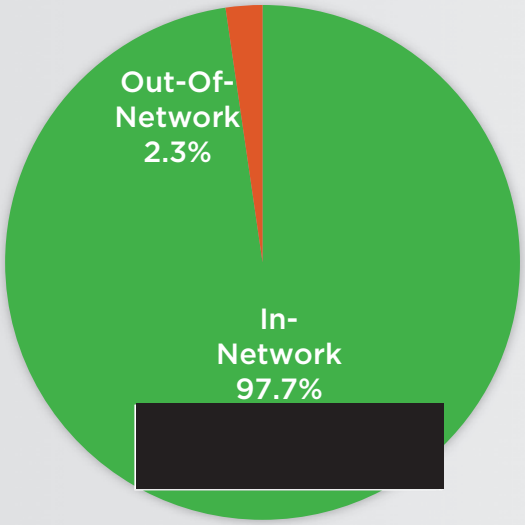
DELTA DENTAL

HDS
Hawaii Dental Service

EUTF & HSTA VB RETIREES

Network Utilization & Provider Discounts
January 2025 -December 2025

Percentage of Member Visits



CATEGORY	IN-NETWORK		OUT-OF-NETWORK		TOTAL	
[redacted]						
Plan Pays	$36,879,400	39.5%	$649,799	17.4%	$37,529,198	38.6%
Patient Pays	$27,520,913	29.4%	$3,059,293	81.7%	$30,580,206	31.5%
Submitted Less Provider Discount & Other Savings	$64,400,312		$3,709,092		$68,109,404	
Patient Pays	$27,520,913	42.7%	$3,059,293	82.5%	$30,580,206	44.9%

Highlights

- 95% of Hawaii's practicing dentists participate with HDS. EUTF & HSTA VB members also have access to thousands of dentists across the U.S. mainland through the Delta Dental network.
- Out of all the members who visited a dentist, nearly 98% visited an In-Network Dentist.

[redacted]

DELTA DENTAL

HDS
Hawaii Dental Service

EUTF
BE WELL • BE STRONG

Mahalo for your time!

For more information, visit HawaiiDentalService.com/EUTF.

HAWAIIDENTALSERVICE.COM/EUTF

vsp vision care

EUTF & HSTA VB Retiree Utilization

Plan Year Ending 12/31/2025

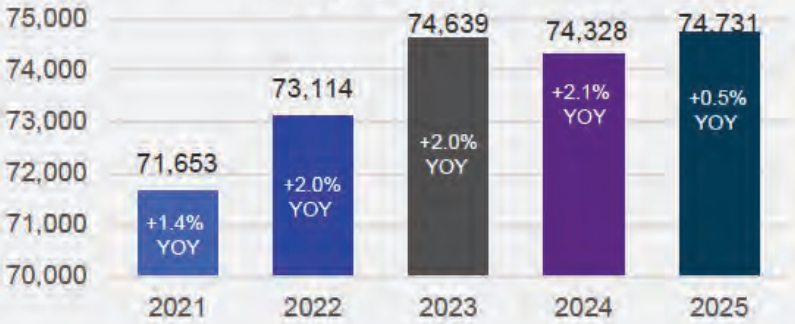
Presented by Monica Kim 05/19/2026

Executive Summary

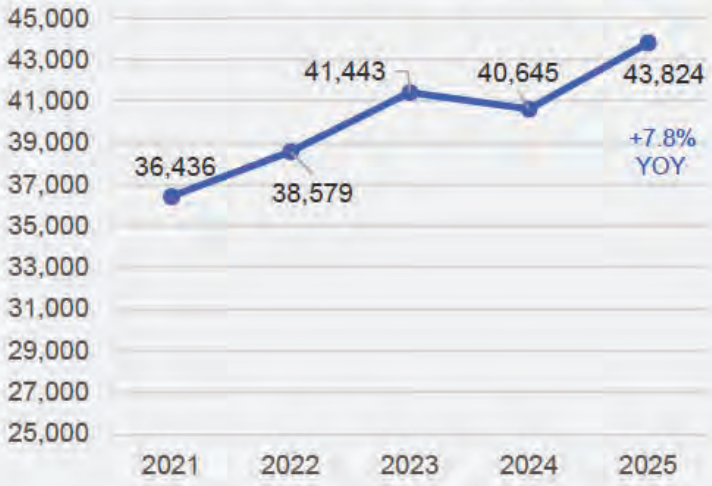
- **Average Enrollment** in 2025 increased by 0.5% over the prior year.
- **Number of Claims** in 2025 increased by 7.8% over 2024.
- **PMPM Claims Costs** in 2025 were up 2.9% or $0.13, and Overall Claims Cost rose by 3.4%.
- **Eye Exams** continue to be the most frequently used service, reflected in a 30% utilization rate for 2025, and factors into the rise of PMPM Claims Cost in 2025.
- EUTF Retirees **preferred glasses over contacts** 70% to 30%, aligning with the plan's older demographic.
  - Progressive Lenses remain the most popular non-covered lens enhancement.
- **In-Network utilization** remains consistent at 93%, matching or exceeding Hawaii & National benchmarks.
  - Retirees predominantly utilize private practice doctors, reflecting a preference for continuity of care & local access.
- VSP's negotiated **provider discounts** on Usual & Customary charges for exams, lenses, non-covered lens enhancements and frames saved the EUTF Retiree Plan Costs and Retirees' Member Out-of-Pocket Costs over $25M combined in 2025.

EUTF Retirees - Utilization Review

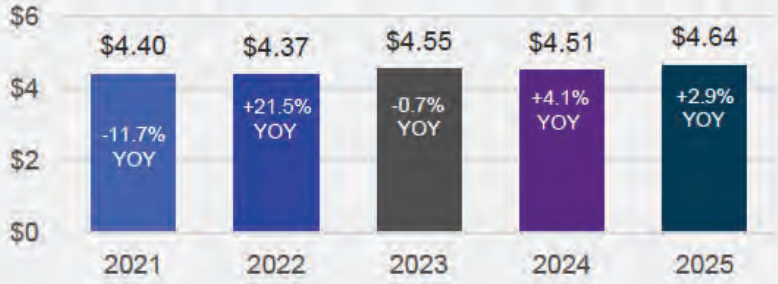
Average Enrollment



Rate of Utilization – Number of Claims



Claim Cost Per Member/Month (PMPM)



VSP National BoB PMPM Claim Cost YoY Trend %

CY 2021: [redacted]

CY 2022: [redacted]

CY 2023: [redacted]

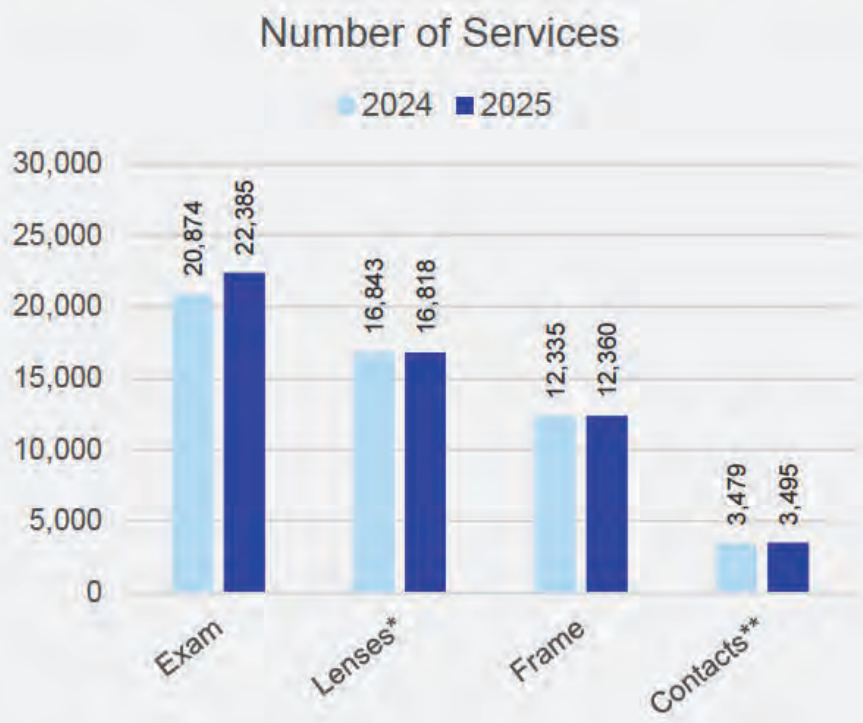
CY 2024: [redacted]

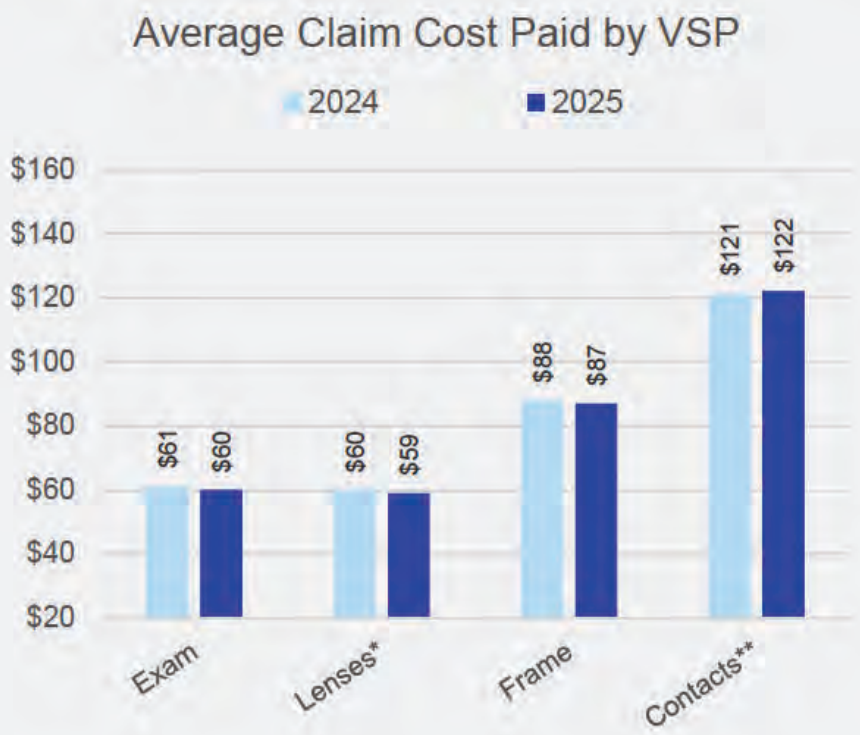
CY 2025: [redacted]

Claims $ by Plan Year

Plan Year	Total Claims	YoY% Change
2021	$3,781,934	+23.90%
2022	$3,836,100	+1.43%
2023	$4,079,651	+6.34%
2024	$4,022,551	-1.39%
2025	$4,160,914	+3.44%

EUTF Retirees – Vision Plan Usage & Cost by Type of Service





*Lenses category considers Single Vision, Bifocal and Trifocal combined
**Average Claim Cost for Contacts applies to Elective Contacts only.

EUTF Retirees Plan Design Today

	Service Frequency	Copays	Frame Allowance	Contact Lenses	Covered Lens Enhancements	Essential Medical Eye Care
VSP Signature	Exam 12 months Lenses 12 months Frame 24 months	$10 Exam $25 Glasses (Lenses &/or Frame)	$150	$130	UV Protection	$20

Historical Plan Changes

2019

Added Walmart & Sam's Club to Network

2020

Added Standard Progressives

2021

Increased Frame Allowance to $150
Increased Contact Lens Allowance to $130
Separated Contact Exam & Lenses
Maximum $60 copay for Contacts Exam

Eye Exam Benchmarking

Eye Exams – comparison of EUTF Retirees is against a broad, non-retiree specific population	2021	2022	2023	2024	2025
EUTF Retirees	26%	27%	28%	28%	30%
vs. VSP Hawaii BoB	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
vs. VSP National BoB	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Ongoing Member Outreach

- VSP Diabetic Exam Reminder Letters – VSP sends monthly to members who haven't received an eye exam in the 14 months prior
- Annual EUTF Retiree Exam Reminder Mailings (every August)
- WellAware Articles promoting eye health topics (2025: Q1 and Q4)
- EUTF Sweepstakes promoting annual eye exams and vsp.com accounts (May)

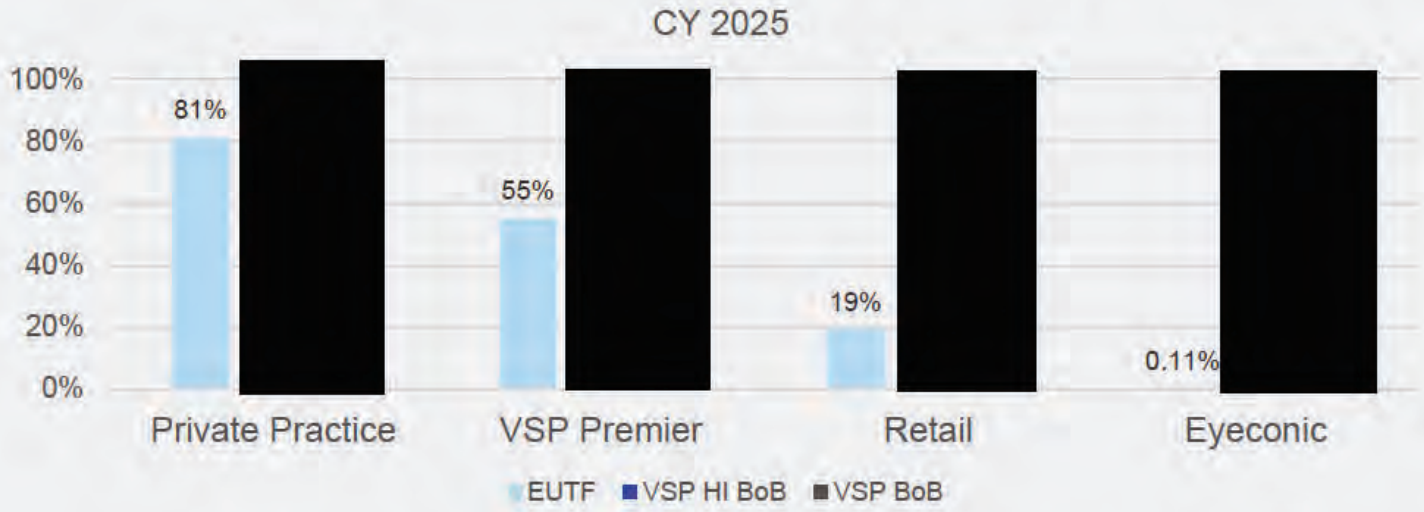
14,298

Diabetic Eye Exam Reminders sent to EUTF Retirees in 2025

EUTF Retirees – Network Utilization

In-Network	2021	2022	2023	2024	2025
EUTF Retirees	90%	91%	92%	93%	93%
vs. Hawaii VSP BoB	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
vs. VSP BoB	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

EUTF Retirees primarily seek services from Private Practice Providers



VSP Premier Providers are a subset of VSP Hawaii's Private Practice network

Eyewear At-A-Glance – Calendar Year 2025

Member usage by percentage (%) between glasses or contacts and most popular lens enhancements selected for glasses

	EUTF Retirees	VSP Hawaii BoB	VSP National BoB
	Traditionalists (ages 80+) **27%** Baby Boomer (ages 61-79) **61%** Generation X (ages 45-60) **7%**	Traditionalists (ages 80+) **1%** Baby Boomer (ages 61-79) **14%** Generation X (ages 45-60) **29%**	Traditionalists (ages 80+) **1%** Baby Boomer (ages 61-79) **14%** Generation X (ages 45-60) **25%**
	70%	[redacted]	[redacted]
Contacts	30%	[redacted]	[redacted]
Lens Enhancements Listed in order of popularity	61% Progressives* — 58% Anti-Glare — 56% Polycarbonate — 41% UV Protection	[redacted]	

Members save an Average 40% off VSP Private Practice Providers' Usual & Customary Charges for Non-Covered Lens Enhancements

*Premium & Custom Progressives are not covered by EUTF, but member copay is between $80-$160 due to VSP's negotiated discounts off U&C at VSP In-Network Providers.

VSP Value for EUTF Retirees

>$13M

EUTF Retiree Plan
Savings on
Usual & Customary Charges

>$12M

Retirees' Member
Out-of-Pocket Savings on
Usual & Customary Charges

EUTF Retirees – Spend Less on Frames

2025 CY Benefits

Frame Allowance
$150

Covered-In-Full Frames
24%

Average Out-of-Pocket
$65

Average Out-of-Pocket Spend by Retirees

2021	$41
2022	$46
2023	$53
2024	$60

[redacted]

YTD 2026 – 24% covered in full frames, Average OOP - $65

Thank You.

Our Focus – Partners Like You.

vsp vision care

Appendix

Membership by Generation – EUTF Retirees v. VSP Hawaii BoB & VSP BoB

	EUTF Retirees	VSP Hawaii BoB	VSP BoB
Alpha Generation 2013 – Present 	0.41%	[redacted]	[redacted]
Generation Z 1997 – 2012 	3.49%	[redacted]	[redacted]
Millennial 1981 – 1996 	0.55%	[redacted]	[redacted]
Generation X 1965 – 1980 	7.30%	[redacted]	[redacted]
Baby Boomer 1946 – 1964 	61.07%	[redacted]	[redacted]
Traditionalists 1922 – 1945 	27.18%	[redacted]	[redacted]

Eye Exams by Generation – EUTF Retirees v. VSP Hawaii BoB & VSP BoB

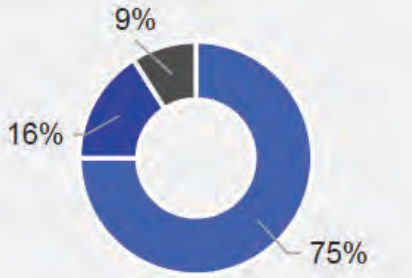
	EUTF Retirees	VSP Hawaii BoB	VSP BoB
Alpha Generation 2013 – Present 	14.01%	[redacted]	[redacted]
Generation Z 1997 – 2012 	22.02%	[redacted]	[redacted]
Millennial 1981 – 1996 	15.11%	[redacted]	[redacted]
Generation X 1965 – 1980 	31.39%	[redacted]	[redacted]
Baby Boomer 1946 – 1964 	32.68%	[redacted]	[redacted]
Traditionalists 1922 – 1945 	23.65%	[redacted]	[redacted]
Overall Population	29.59%	[redacted]	[redacted]

Eyewear by Generation – EUTF Retirees v. VSP Hawaii BoB & VSP BoB

	EUTF Retirees		VSP Hawaii BoB		VSP BoB	
	Glasses	Contacts	Glasses	Contacts	Glasses	Contacts
Alpha Generation 2013 – Present 	84.00%	16.00%	[redacted]	[redacted]	[redacted]	[redacted]
Generation Z 1997 – 2012 	36.77%	63.23%	[redacted]	[redacted]	[redacted]	[redacted]
Millennial 1981 – 1996 	52.05%	47.95%	[redacted]	[redacted]	[redacted]	[redacted]
Generation X 1965 – 1980 	48.74%	51.26%	[redacted]	[redacted]	[redacted]	[redacted]
Baby Boomer 1946 – 1964 	68.48%	31.52%	[redacted]	[redacted]	[redacted]	[redacted]
Traditionalists 1922 – 1945 	92.06%	7.94%	[redacted]	[redacted]	[redacted]	[redacted]
Overall Population	69.95%	30.05%	[redacted]	[redacted]	[redacted]	[redacted]

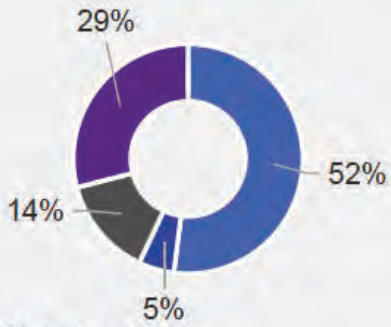
EUTF Retirees – Eye Health Management / Healthy Innovations

EUTF Retiree Data
Diabetes & Eye Disease



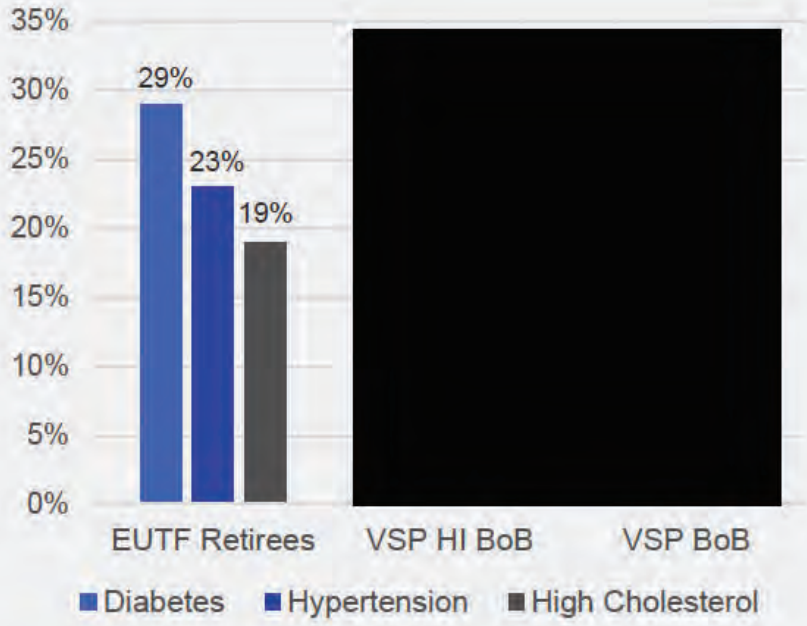
- Diabetes w/No Eye Disease
- Diabetes w/Other Conditions
- Diabetes & Retinopathy

EUTF Retiree Data
Diabetes & Chronic Conditions



- Diabetes Only
- Diabetes & High Cholesterol
- Diabetes & Hypertension
- Diabetes w/High Cholesterol & Hypertension

Member Health
EUTF Retiree v. VSP HI BoB & VSP BoB



Data above is only available as "point in time," run on April 16, 2026.

KAISER PERMANENTE®

Memorandum

To: The Board of Trustees
Hawaii Employer-Union Health Benefits Trust Fund
From: Troy Tomita, Kaiser Permanente
Date: May 19, 2026
Re: 2027 Benefit Changes

Non-Emergency Medical Transportation (NEMT)

Kaiser Permanente Hawaii is adding coverage for non-emergency medical transportation (NEMT) in a licensed gurney van or wheelchair van.

This service is for members with mobility issues who are not safe for transportation in a privately-owned vehicle from an acute or post-acute setting. NEMT differs from ground ambulance service in that it does not include basic life support, advanced life support, or critical care transport services. NEMT is not used in emergency situations; emergencies require ambulance services. This is an enterprise-wide change and will impact both EUTF Retiree and Active members.

Current Benefit:
NEMT is not a covered benefit, however as a courtesy to our members we are currently coordinating NEMT services and absorbing the cost for our members as this ensures patient safety, eases the transition between different levels of care and optimizes hospital resources.

Proposed Benefit:
Upon EUTF's 2027 contract renewal, we are proposing to add post-discharge coverage for a licensed stretcher/gurney van or wheelchair van for medically necessary, non-emergency transportation to home or skilled nursing facility (SNF) immediately following an inpatient hospitalization, emergency department (ED), ambulatory care center (ACC), Clinical Decision Unit (CDU), Advanced Urgent Care (AUC), or SNF encounter when ordered by a network provider.

Post-discharge NEMT requires medical necessity and may only be ordered by an attending physician or network provider**.** This benefit is not self-service for members. Kaiser Permanente physicians will request NEMT for patients that are ready to discharge and not physically or mentally able to use a sedan for transportation to home or a lower or higher level of care facility. The post-discharge NEMT coverage will be a $0 copay for the member.

Reason:
We are proposing this enterprise-wide plan change so that coverage of this service is accurately reflected in the plan design and claims utilization data.

Rate impact:

[redacted]

[redacted]

Plans Impacted:

- EUTF KPSA and non-Medicare retiree plans effective 1/1/27
- HSTA VB KPSA and non-Medicare retiree plans effective 1/1/27
- EUTF active comprehensive and standard plans effective 7/1/27
- HSTA VB active plan effective 7/1/27

Segal Recommendation:

Coverage for NEMT among EUTF's peers is more prominent in the Medicare plans. About half of the active and non-Medicare retiree programs cover this. HMSA's non-EUTF MA programs currently cover NEMT and HMSA is expected to expand the benefit to their commercial plans to meet Prepaid requirements. EUTF is exempt from that requirement.

We would expect utilization of this benefit to be low and not have a meaningful cost impact to the EUTF plans.

Based on the favorable impact to support members that may need to be transported between facilities or home with low cost impact, Segal recommends implementing the coverage for non-emergency medical transport.

100-Day Prescription Supply

Current Benefit:
Currently Medicare members are allowed to receive up to a 90-day supply of maintenance medications. The copay is three times the 30-day copay at retail and two times the 30-day copay at mail. Members are generally allowed to refill their maintenance medication once 80% of their medication is used. This is tracked through our kp.org app where members are allowed to order their prescriptions 72 days from their last refill.

Proposed Benefit:
Effective 1/1/27, Kaiser Permanente Medicare plans will allow members to receive up to a 100-day supply of most maintenance medications. This is an enterprise-wide change for all Medicare members. The copay for a 100-day supply will be the same as it was for a 90-day supply.

Reason:
We are making this change to enhance the overall Medicare member experience by reducing the number of pharmacy visits needed for maintenance medications, supporting medication adherence for chronic conditions, and providing greater convenience.

Rate impact:
[redacted]

Plans Impacted:

- EUTF KPSA retiree plan effective 1/1/27
- HSTA VB KPSA retiree plan effective 1/1/27

Segal Recommendation:

The increase from 90-day to 100-day supply for maintenance medications is not a Medicare-wide rule, however many Medicare Advantage (MA) programs have started to offer this enhancement, including HMSA's Akamai Advantage program and the majority of EUTF's State peers' MA plans.

Although there is a cost impact for a member to receive 40 additional days of medication (4 fills per year), this plan is community rated, so utilization does not directly impact EUTFs rates.

Based on the favorable impact of reducing pharmacy visits needed for maintenance medications in your Medicare population, along with no significant cost impact to EUTF, Segal recommends implementing the 100-day prescription supply benefit.

PUBLIC

HMSA Primary Care Payment Model Changes

EUTF Benefits Committee

May 19, 2026

Presenter: Mark Nishimura, VP Actuarial & Underwriting

For today

Sharing an update on the HMSA primary care payment model changes

- **Primary Care Payment Model Reset Summary**
- **Current Model vs. Fee for Service (FFS) Reset**
- **Primary Care Physician Costs**
- **Provider Quality Scores**
- **EUTF Financial Impact**
- **Key Risks & Mitigation Considerations**
- **What to Expect Next**

Primary Care Payment Model Reset Summary

Why action is needed, what is changing, and how HMSA is positioning for the future

WHAT WAS WORKING
Pre-Pandemic

Primary Care Payment Model (PCPM)

- Introduced as a pilot in 2016 and expanded across the primary care network by 2018
- Designed to strengthen the Primary Care Provider (PCP)–member relationship and improve care coordination
- Delivered measurable quality improvements
- Enabled non-visit-based care (phone, email, text, virtual)

The outcome was a strong foundation for quality and engagement

WHAT CHANGED
Post-Pandemic Reality

Care delivery patterns shifted following COVID-19

- Patients delayed care, urgent care and emergency room visits increased
- Members experienced challenges scheduling PCP visits
- Due to lower PCP visit volume, PMPM model is less effective
- Sufficient time has passed to confirm this reflects a sustained shift rather than a temporary rebound.

The existing model no longer fully reflects today's access and utilization dynamics

WHAT HMSA IS DOING NOW
Reset & Path Forward

Primary Care Payment Model Reset

- Medicare Advantage transitioned to FFS in Sep. 2025.
- Transitioning commercial and QUEST PCPs to fee-for-service (FFS) reimbursement.
- This reset establishes a current, accurate baseline of utilization & cost
- Improves data integrity to inform future value-based models that can span beyond primary care to include specialty care, facility, and ancillary services.

Aligns incentives with access, outcomes, and long-term system sustainability

This reset is a deliberate, stabilizing step that preserves quality gains and positions HMSA to design the next generation of payment models based on today's care landscape.

Current Model vs. Fee for Service (FFS) Reset

This transition is necessary to establish a baseline and ensure our data accurately reflects today's health landscape, enabling development of future payment models.

HMSA will reset and adjust the Primary Care Payment Model (PCPM) program. As a result, HMSA will pay Fee for Service (FFS) reimbursement for participating primary care providers (PCPs) instead of a per member, per month (PMPM) payment.

Additionally, quality performance measures will be streamlined to focus on areas with the greatest impact on member outcomes while simultaneously reducing administrative burden on providers:

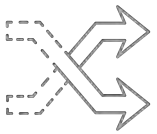
Adult Quality Measures

- *Controlling Blood Pressure*
- *Glycemic Status for Patients With Diabetes (Glycemic Status < 8)*
- *Screening for Depression and Follow-up Plan*

Pediatric Quality Measures

- *Child and Adolescent Well-Care Visits*
- *Well-child Visits in the First 30 Months of Life*
- *Well-child Visits in the First 15 Months of Life*
- *Childhood Immunization Status*
- *Screening for Depression and Follow-up Plan*

CURRENT STATE		FFS RESET
PCPs are reimbursed with a **PMPM** (i.e., monthly fee for each attributed member)	PCP REIMBURSEMENT	PCPs will be paid **FFS*** through claims (i.e., fee per eligible service provided and billed).
10 adult quality measures **6 pediatric** quality measures	QUALITY MEASURES	**3 adult** quality measures **5 pediatric** quality measures
PMPMs paid based on **attestation-based** attribution panel	ATTRIBUTION	Quality PMPM paid on **claims-based** attribution
Advanced payments	TIMING OF PAYMENTS	**Retrospective** payments

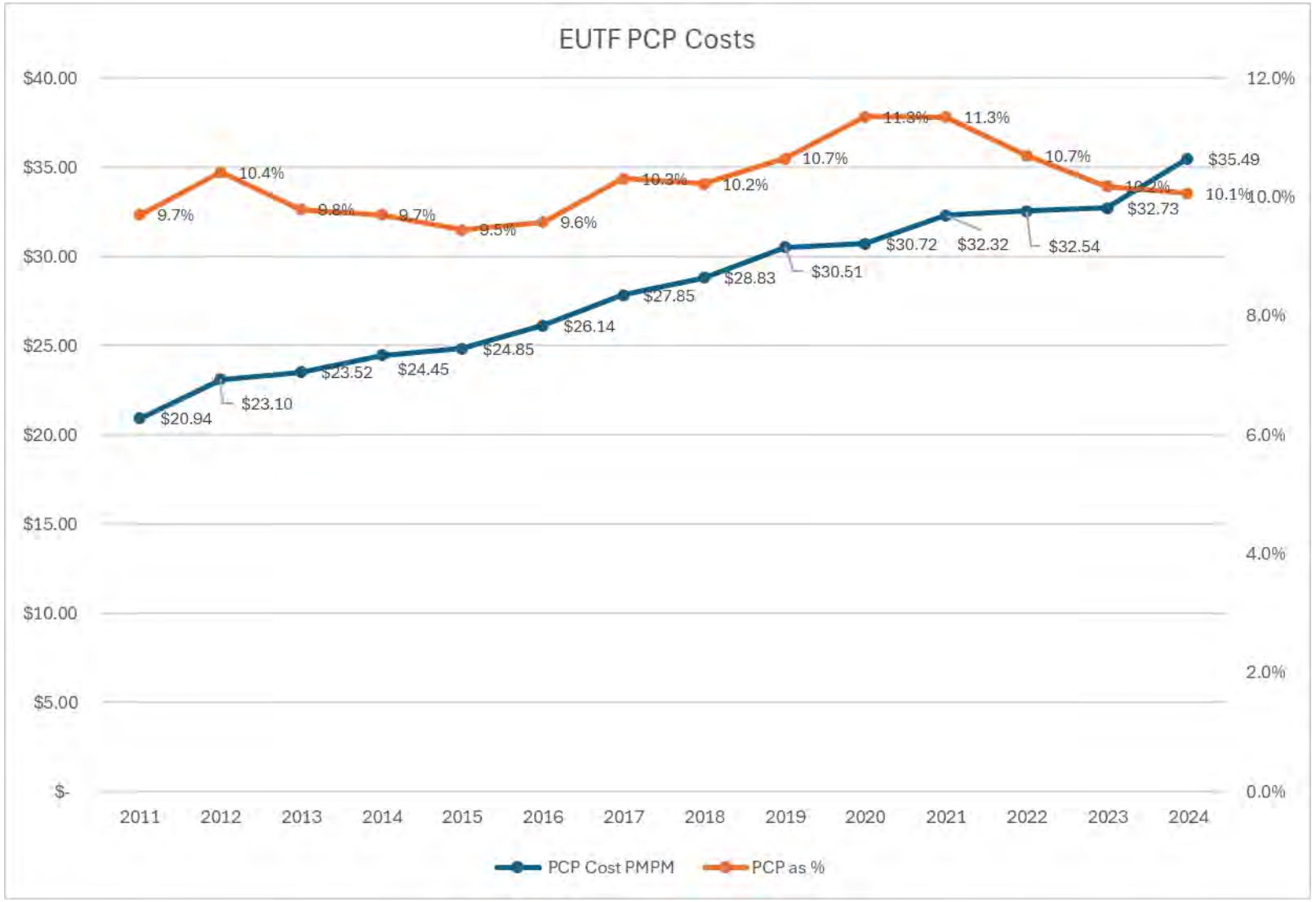


TRANSITION & OPERATIONAL READINESS

- Implementation of the changes is scheduled to be effective **July 1, 2026**.
- HMSA has initiated discussions with provider organizations (POs) to inform and provide proposed changes; formal notification was delivered on **May 1, 2026**.
- HMSA will monitor operational and utilization impacts during the transition and coordinate with provider organizations to support PCPs as implementation proceeds.

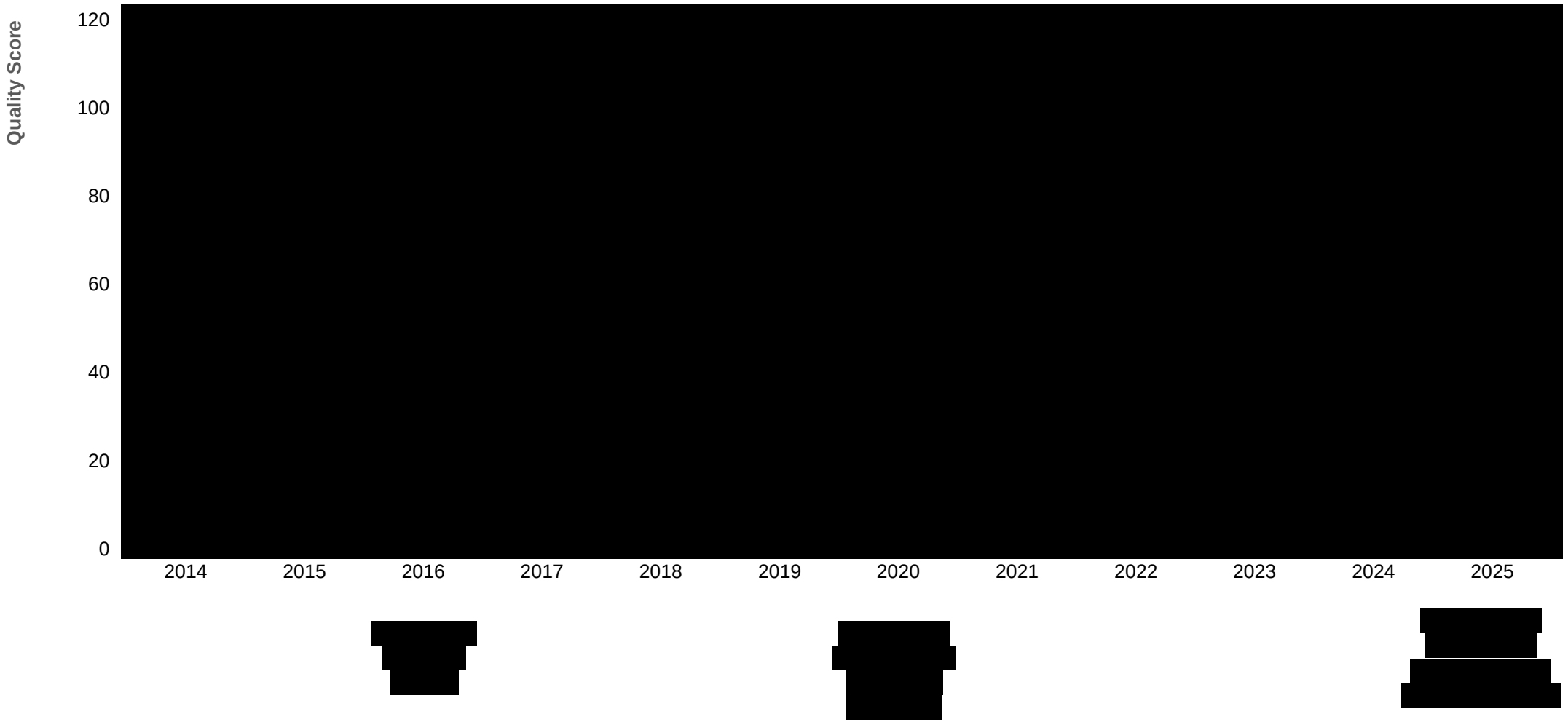
*

Primary Care Physician Costs



Our Medicare primary care payment model switched to fee for service in September 2025. [redacted] [redacted] As the model stabilizes and other lines of business move to fee for service, further changes to utilization are still uncertain.

Provider Quality Scores



EUTF Financial Impact

While near-term financial impact is uncertain, HMSA will monitor utilization and cost experience as the transition progresses.

EXPECTED FINANCIAL SIGNALS

- The financial impact cannot be determined at this time as utilization patterns evolve during the transition
- Primary care reimbursement will shift from per member per month (PMPM) to FFS, resulting in lower unit payments, with overall impact dependent on utilization response

MONITORING AND OVERSIGHT

- Finance and analytics teams are evaluating multiple scenarios and monitoring utilization and spend trends on an ongoing basis
- Ongoing monitoring throughout the transition and updates to be provided as patterns stabilize

QUALITY PERFORMANCE ALIGNMENT

- Quality measures have been streamlined and aligned with EUTF priorities and performance guarantees
- Provider performance continues to be measured against defined quality standards, with financial incentives contingent on demonstrated results.

Key Risks & Mitigation Considerations

Risk Area	Risk	How HMSA is Managing It
Provider Readiness & Financial Impact	• Some PCPs may experience changes in payment timing or revenue under FFS, depending on practice patterns and utilization response.	• Advance provider notification and engagement through POs • Monitoring provider experience during Q3–Q4 2026 to support PCPs during the transition • Transition support program to ensure network adequacy and access
Financial Impact & Cost Volatility	• Near-term financial impact is uncertain as utilization patterns adjust following implementation.	• Finance and analytics teams modeling multiple scenarios • Active monitoring of utilization and spend trends as experience stabilizes
Member Impact & Access	• Risks of providers dissatisfaction with payment model changes • Risk of short-term disruption or confusion during transition, if not well managed. • Members will experience an increase in the amount of their coinsurance on outer islands due to fee schedule increases.	• Actively monitor PCP access and share escalation process for hardship to ensure access • Monitor primary care visits, urgent care, and ER utilization
Quality, Performance & Data Integrity	• Streamlined measures may cause other previously included measure performance to decline.	• Close monitoring of all provider quality performance measures. • Quality measures remain in place and aligned to EUTF priorities

What to Expect Next

Provider & Stakeholder Communications

- Provider notification was sent out on May 1, 2026, outlining upcoming payment model changes
- Outreach has been coordinated with provider organizations to support consistent, clear messaging
- Internal readiness activities aligned across operations, finance, and analytics

Implementation

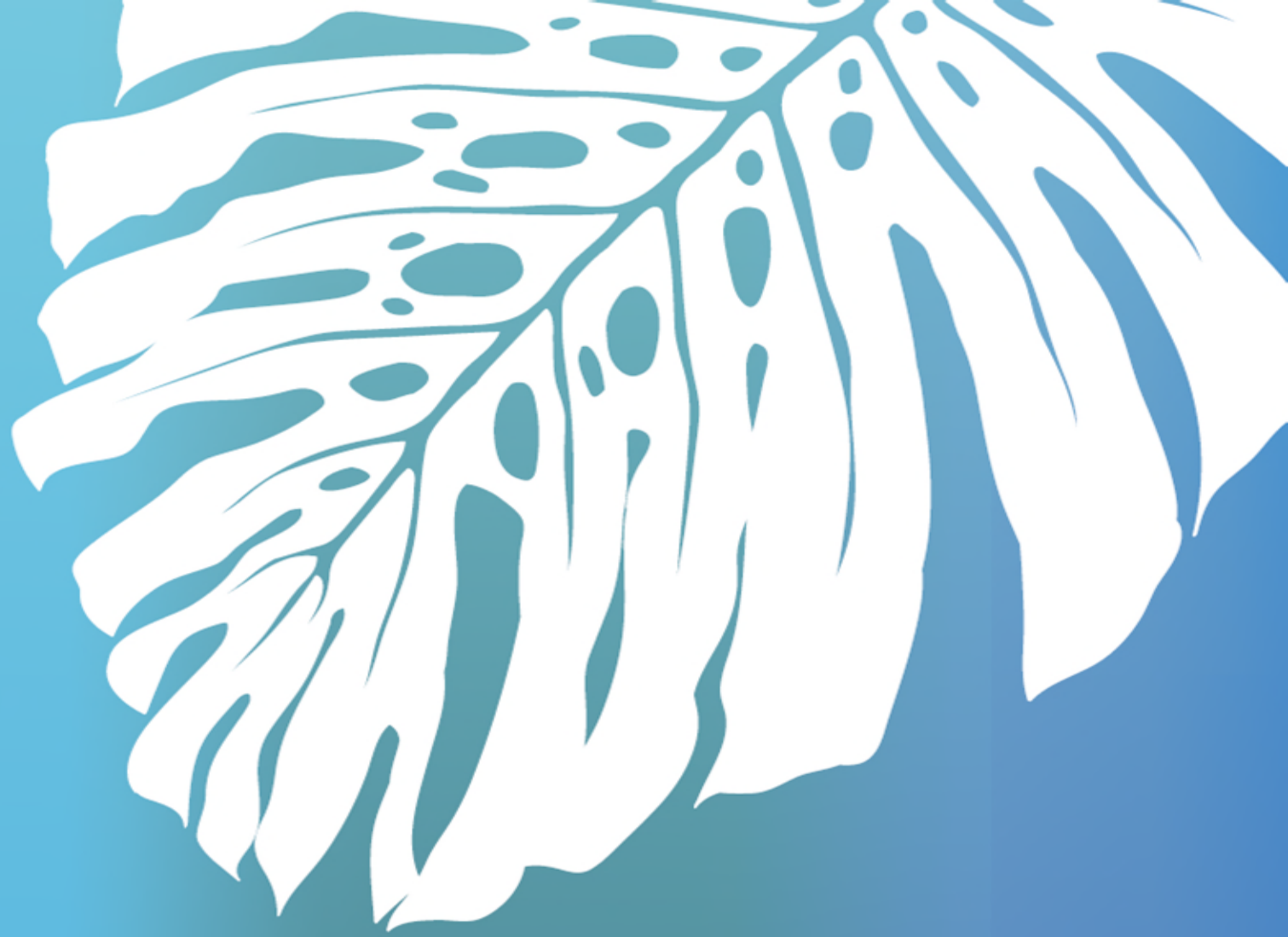
- Payment model changes are effective July 1, 2026 for applicable providers
- Transition supported through established operational and provider support processes

Monitoring & Stabilization (Q3–Q4 2026)

- Ongoing monitoring of:
  - Primary care, urgent care, emergency department utilization, and other key metrics
  - Operational impacts and provider experience
- Early experience will help identify where further attention may be needed during the transition

Evaluation & Assessment (2027)

- Continued evaluation of utilization patterns, quality performance, and financial experience
- Re-baselined data will be used to inform future payment model design across the continuum of care



hmsa

Mahalo

Segal

State of Hawaii:
Employer-Union Health Benefits Trust Fund

Annual Retiree Report

PUBLIC

May 19, 2026

Agenda

Executive Summary

Cost, Premium and Membership

Condition and Risk Distribution

Categories of Focus

Looking Ahead

Summary of Non-Medicare and Medicare Retiree experience to help understand current performance and identify where focused attention may most effectively improve the plan.

Medical and pharmacy claims and enrollment benchmarks are from Segal's Health Analysis of Plan Experience (SHAPE) data warehouse based on all Non-Medicare and Medicare populations with credible experience for the comparison periods. Capitation is excluded.

Current claim period: January 1, 2025 – December 31, 2025

Executive Summary

Trend - Non-Medicare plans are beneath the benchmark which reflects EUTF's lower disease burden. HMSA Medicare is higher than the benchmark due primarily to a greater disease burden and incident rate of comorbidities.

Membership - As the Non-Medicare population is expected to decrease relative to the overall retiree population, there will be net lower cost to EUTF as Medicare picks up a larger portion of the overall Retiree program claims cost.

Condition Prevalence - EUTF continues to have a higher prevalence rate of diabetes relative to the SHAPE benchmark. EUTF is in line, both in carrier program management and participation, with other peer state retiree plans.

Comorbidity Distribution - There has been stability in the overall breakdown of comorbidity distribution over the last two years, indicating no sharp increases in disease progression due to gains in preventing disease.

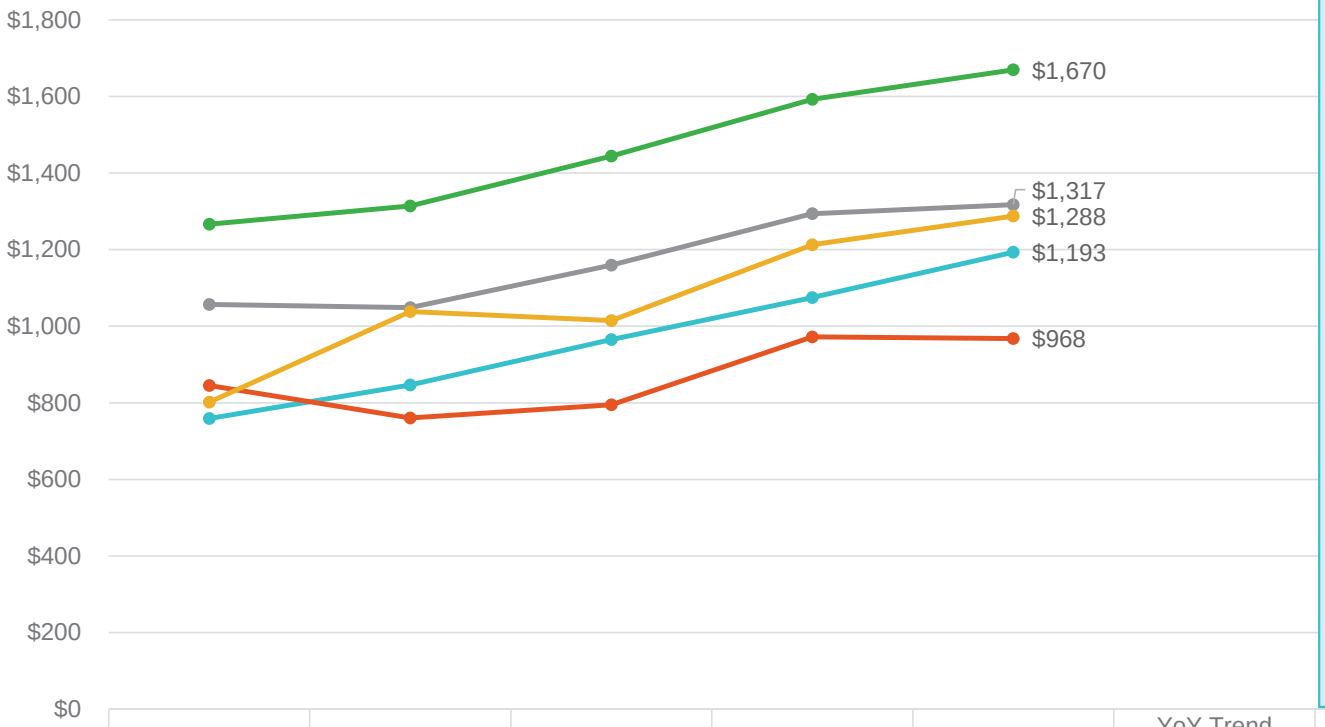
Claims Distribution- Have HMSA confirm that any changes to HMSA's Care Management model continues to be able to address senior specific needs.

Medical Specialty - EUTF inpatient site of service spend for medical pharmacy claims is a higher proportion of overall site of service cost versus benchmark. Have HMSA validate they are directing members to the optimal site of service.

Cost, Premium and Membership

Allowed Per Member Per Month Cost

Medical and Pharmacy

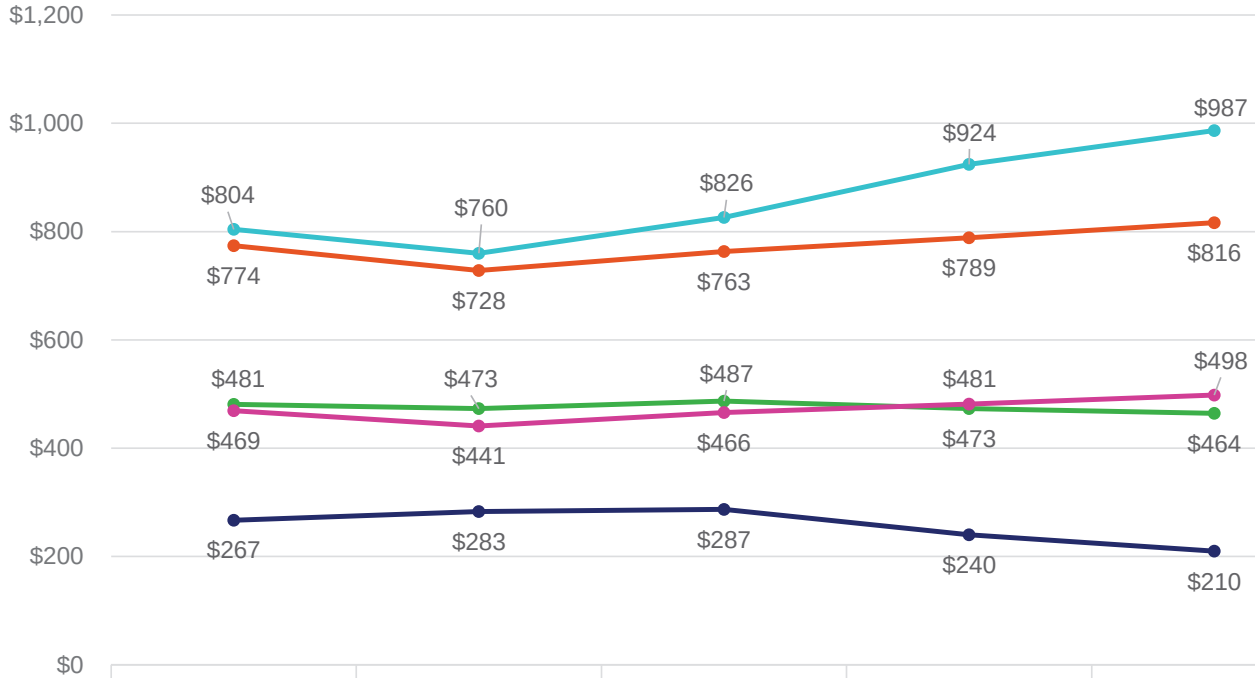


	CY21	CY22	CY23	CY24	CY25	YoY Trend (24/25)	Annualized Growth Rate
Non-Medicare HMSA	$759	$846	$965	$1,075	$1,193	11.0%	12.0%
Non-Medicare Kaiser	$845	$760	$795	$972	$968	-0.5%	3.4%
Non-Medicare Benchmark	$1,057	$1,049	$1,160	$1,294	$1,317	1.8%	5.7%
Medicare HMSA	$1,267	$1,314	$1,444	$1,593	$1,670	4.8%	7.1%
Medicare Benchmark	$802	$1,038	$1,015	$1,213	$1,288	6.2%	12.6%

- Allowed cost is total cost of care including plan paid, member paid, and third party (e.g., Medicare) paid.
- Kaiser and Humana do not provide financial data for Medicare Advantage plans.
- Dollars shown are not adjusted for Medicare payments.
- **Insight:** The Non-Medicare plans are beneath the benchmark which reflects EUTF's lower disease burden.
- **Insight:** EUTF's HMSA Medicare plan has a higher disease burden and incident rate of comorbidities than the benchmark, which drives the difference. The plan also has more generous coverage because of the plan's coordination with Medicare.

Premiums

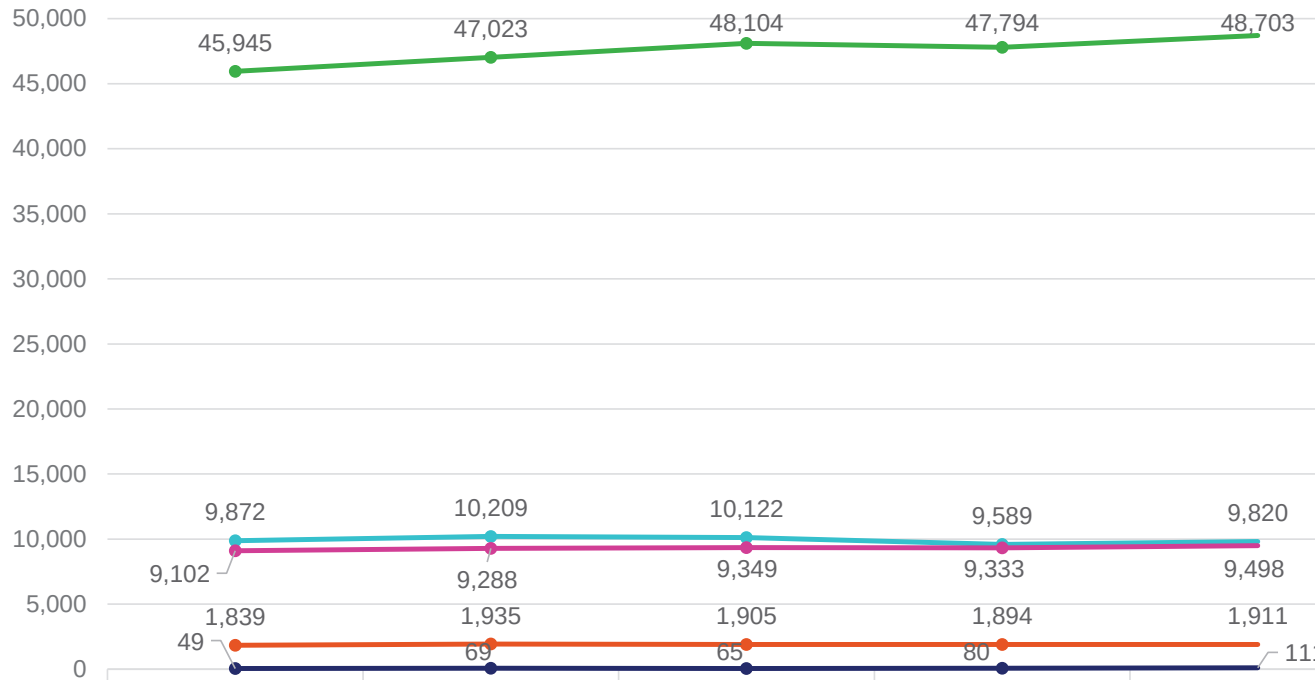
Medical and Pharmacy Single Retiree Premiums



- Despite the total allowed cost for the HMSA Medicare plan being approximately 40% higher than the non-Medicare plan, the premium is approximately half.
- **Insight:** The Medicare plans have lower cost and more moderate pricing increases compared to the commercial plans because of coordination with Medicare and enhanced subsidies in the EGWP.

	CY22	CY23	CY24	CY25	CY26	YoY Trend (25/26)	Annualized Growth Rate
HMSA + CVS Non-Medicare	$804	$760	$826	$924	$987	6.8%	5.3%
Kaiser Non-Medicare	$774	$728	$763	$789	$816	3.5%	1.3%
HMSA + SSI Medicare	$481	$473	$487	$473	$464	-1.9%	-0.9%
Kaiser Medicare	$469	$441	$466	$481	$498	3.5%	1.5%
Humana + SSI Medicare	$267	$283	$287	$240	$210	-12.7%	-5.9%

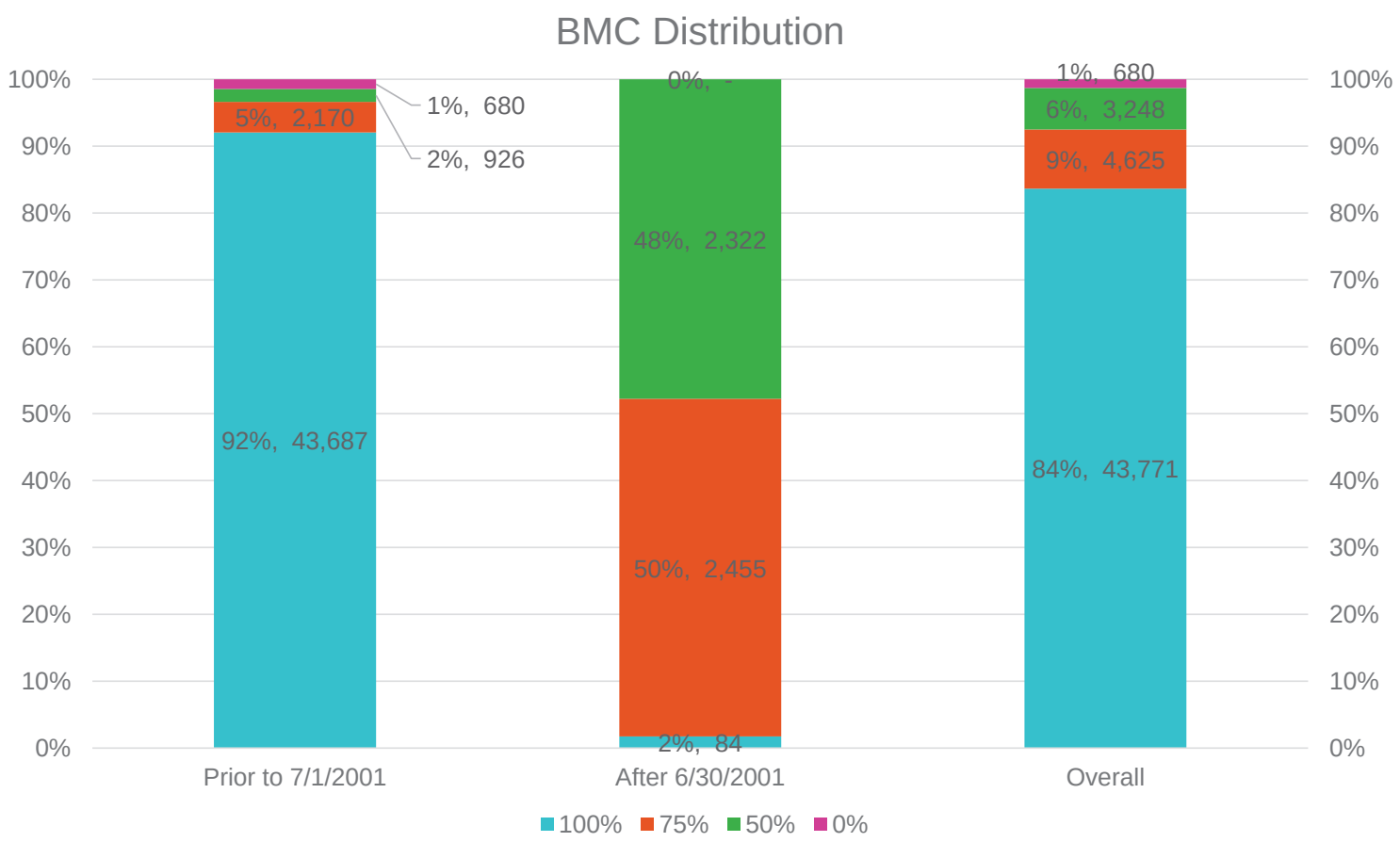
Medical Membership



- Enrollment is measured as of December of the reference year.
- There continues to be a drop in the total Non-Medicare population relative to the overall population.
- Members with Medicare status will result in lower net cost to the plan overall.
- **Insight:** Most retirees do not have a premium cost share, so there is no pricing sensitivity shown among the population.

	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	YoY Trend (24/25)	Annualized Growth Rate
Non-Medicare HMSA	9,872	10,209	10,122	9,589	9,820	2.4%	-0.1%
Non-Medicare Kaiser	1,839	1,935	1,905	1,894	1,911	0.9%	1.0%
Medicare HMSA	45,945	47,023	48,104	47,794	48,703	1.9%	1.5%
Medicare Kaiser	9,102	9,288	9,349	9,333	9,498	1.8%	1.1%
Medicare Humana	49	69	65	80	111	38.8%	22.7%

Retiree Subsidy Distribution

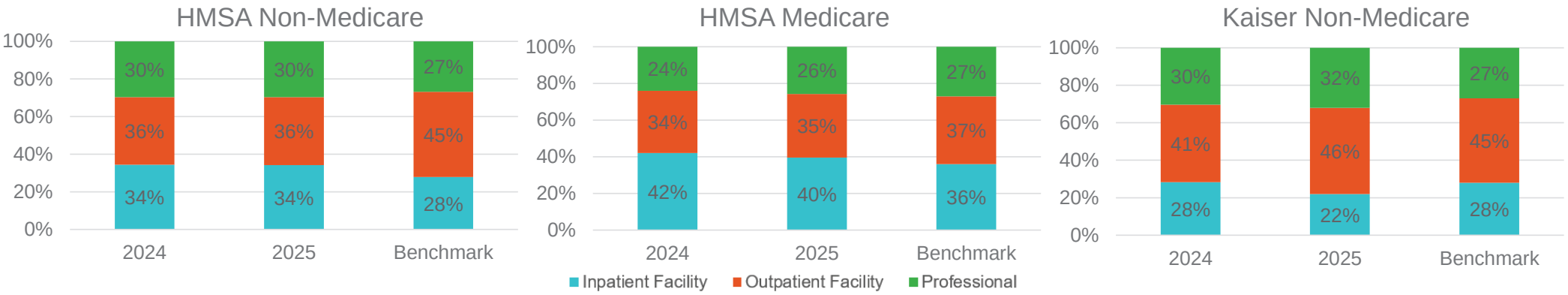


- The current BMC distribution of retirees is consistent between non-Medicare and Medicare enrollment.
- **Insight:** The majority, including 75% BMC, do not pay premiums for retiree healthcare.
- **Future consideration:** Most current active employees will receive benefits based on self BMC. The transition to the self BMC benefit will occur over the next 25-30 years.

Data Sources: Data provided by EUTF. Data does not include HSTA VB.

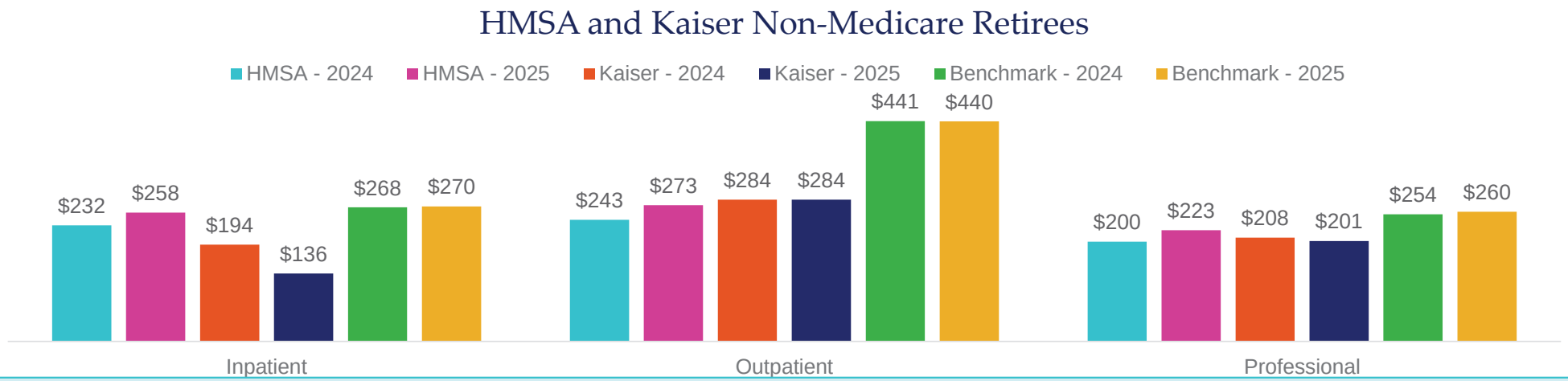
Condition and Risk Distribution

Site of Care Cost Distribution



- HMSA has had a stable distribution of cost over the last two years.
- HMSA has a higher spend in inpatient facility relative to the benchmark.
  - Continued efforts can be made to ensure managed members are receiving care at proper facility settings by requesting supplemental reporting from HMSA on inpatient cost drivers.
  - Ensure HMSA is identifying geographical areas where there is a lack of outpatient facilities that is resulting in higher inpatient facility utilization so the EUTF can identify if additional action is warranted.
- Kaiser has had variation in mixture over the last two years, which can be attributable in part to the smaller population size.
- Kaiser has a higher percentage of spend in the professional category relative to the benchmark which aligns with their member management style.

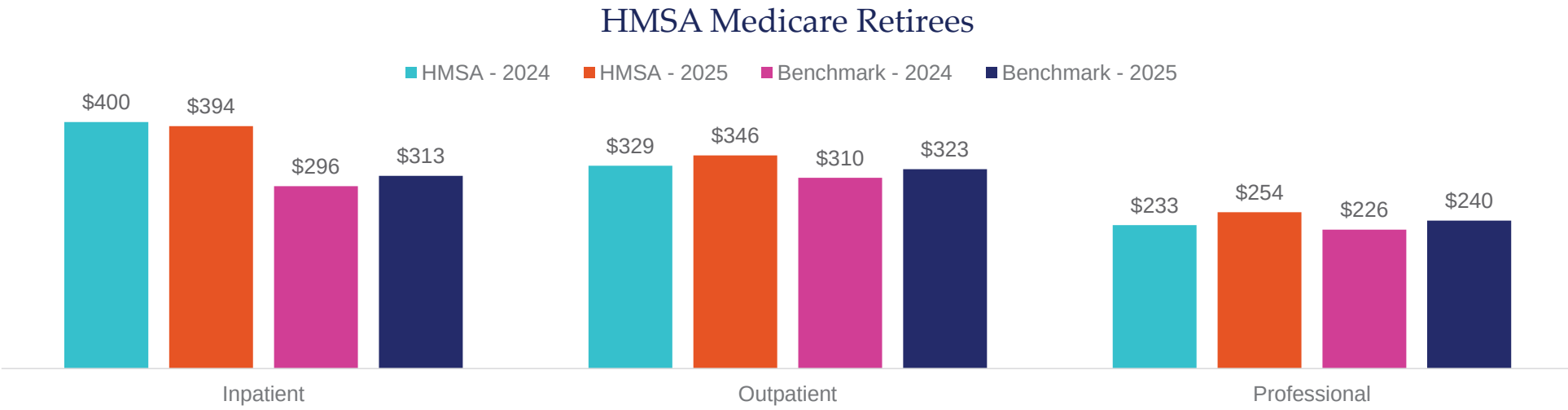
Site of Care Cost Distribution Non-Medicare Retirees – PMPM



Service Category	HMSA - 2024	HMSA - 2025	Change	Kaiser - 2024	Kaiser - 2025	Change	Benchmark - 2024	Benchmark - 2025	Change
Inpatient	$232	$258	10.9%	$194	$136	-29.7%	$268	$270	0.7%
Outpatient	$243	$273	12.1%	$284	$284	-0.1%	$441	$440	-0.1%
Professional	$200	$223	11.4%	$208	$201	-3.1%	$254	$260	2.1%

- EUTF's medical cost distribution is shown by service category on a PMPM basis and then compared with the benchmark.
- For HMSA non-Medicare enrollees, cost increases were similar between inpatient facility, outpatient facility, and professional costs.

Site of Care Cost Distribution Medicare Retirees – PMPM



Service Category	HMSA - 2024	HMSA - 2025	Change	Benchmark - 2024	Benchmark - 2025	Change
Inpatient	$400	$394	-1.6%	$296	$313	5.7%
Outpatient	$329	$346	5.1%	$310	$323	4.5%
Professional	$233	$254	9.1%	$226	$240	6.4%

- EUTF's medical cost distribution is shown by service category on a PMPM basis and then compared with the benchmark.
- HMSA Medicare enrollees saw a slight reduction in inpatient PMPM costs, which are nonetheless still above benchmark. There was a similar reduction in inpatient costs on the Kaiser non-Medicare side, with PMPM costs regularly below the benchmark and lower than non-Medicare retirees in HMSA plans.

Major Conditions—Prevalence and Cost (Medicare)

HMSA Chronic Condition[2]	Members	% of Total	SHAPE Norm[1]	Medical Claims[2]	% of Total	PMPY	PMPY Comparison[3]	% Change Prevalence	% Chg. PMPY
Diabetes	14,605	30.2%	21.1%	$221,491,829	34.0%	$15,165	113%	1.0%	1.1%
CAD	6,806	14.1%	24.4%	$157,438,857	24.2%	$23,132	172%	0.8%	-0.2%
Asthma	5,121	10.6%	8.1%	$67,995,227	10.4%	$13,278	99%	0.6%	0.4%
COPD	2,121	4.4%	7.6%	$50,922,801	7.8%	$24,009	179%	-0.1%	-0.9%
Hypertension	33,282	68.7%	69.8%	$445,119,970	68.4%	$13,374	99%	0.2%	3.2%
Mental Health	11,693	24.1%	35.6%	$188,692,071	29.0%	$16,137	120%	2.0%	0.3%
Substance Abuse[4]	660	1.4%	3.8%	$11,228,569	1.7%	$17,013	127%	0.2%	5.0%
CHF	2,733	5.6%	6.6%	$98,927,197	15.2%	$36,197	269%	0.3%	-4.7%
TOTALS (unique)	40,138	82.9%		$517,349,599	79.5%	$12,889	96%	1.1%	1.5%

Kaiser Chronic Condition[2]	Members	% of Total	SHAPE Norm[1]	Medical Claims[2]	% of Total	PMPY	PMPY Comparison[3]	% Change Prevalence	% Chg. PMPY
Diabetes	2,957	32.4%	21.4%	NA	NA	NA	NA	0.7%	NA
CAD	2,082	22.8%	25.0%	NA	NA	NA	NA	1.3%	NA
Asthma	122	1.3%	7.9%	NA	NA	NA	NA	0.3%	NA
COPD	327	3.6%	7.7%	NA	NA	NA	NA	0.0%	NA
Hypertension	6,650	72.8%	71.2%	NA	NA	NA	NA	0.2%	NA
Mental Health	3,306	36.2%	34.7%	NA	NA	NA	NA	1.3%	NA
Substance Abuse	345	3.8%	3.6%	NA	NA	NA	NA	0.3%	NA
CHF	547	6.0%	6.8%	NA	NA	NA	NA	0.3%	NA
TOTALS (unique)	7,750	84.8%		NA	NA	NA	NA	0.5%	NA

- EUTF's Medicare disease burden is lower than SHAPE norms for most conditions. This is reflective of EUTF's offerings of onsite health screenings, education and condition specific disease management being comparable to State peers.
- For both HMSA and Kaiser populations, EUTF's diabetes prevalence is greater than SHAPE's norm. Promoting diabetes programs while members are part of the Active and Non-Medicare populations will help as they reach Medicare status.
- Like the Non-Medicare population, there is a higher increase in the prevalence rate of mental health conditions. The Medicare population has unique considerations and ensuring vendors are connecting Medicare members with appropriate providers is an opportunity to keep cost of care steady.

[1] SHAPE Medicare BOB norms are not census-adjusted for age and gender.
[2] Members with co-morbidities and their corresponding claims are combined in each applicable category.
[3] Reflects the ratio of PMPY costs of members with the chronic condition to the total enrolled population. Chronic condition membership is based on members present at the end of the period.
[4] Substance use disorder (SUD) excludes tobacco use.

Major Conditions—Prevalence and Cost
(Non-Medicare)

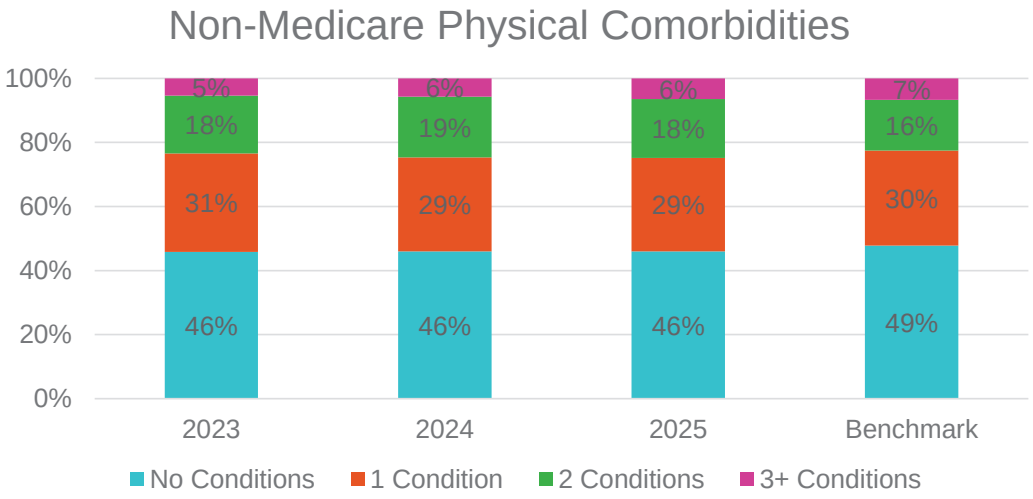
HMSA Chronic Condition[2]	Members	% of Total	SHAPE Norm[1]	Medical Claims[2]	% of Total	PMPY	PMPY Comparison[3]	% Change Prevalence	%Chg. PMPY
Diabetes	2,014	20.6%	15.8%	$31,088,357	33.6%	$15,436	163%	0.3%	3.4%
CAD	545	5.6%	7.9%	$16,873,836	18.3%	$30,961	327%	0.4%	8.4%
Asthma	1,080	11.1%	9.4%	$13,850,736	15.0%	$12,825	136%	0.6%	22.2%
COPD	86	0.9%	1.6%	$3,180,203	3.4%	$36,979	391%	0.0%	-37.2%
Hypertension	4,179	42.8%	42.6%	$56,791,074	61.4%	$13,590	144%	-0.4%	10.4%
Mental Health	2,664	27.3%	36.9%	$29,742,712	32.2%	$11,165	118%	2.7%	-0.6%
Substance Abuse[4]	167	1.7%	3.9%	$3,159,244	3.4%	$18,918	200%	0.1%	-1.6%
CHF	135	1.4%	1.1%	$7,539,323	8.2%	$55,847	591%	0.1%	-17.5%
TOTALS (unique)	6,398	65.5%		$75,844,199	82.1%	$11,854	125%	2.3%	5.6%

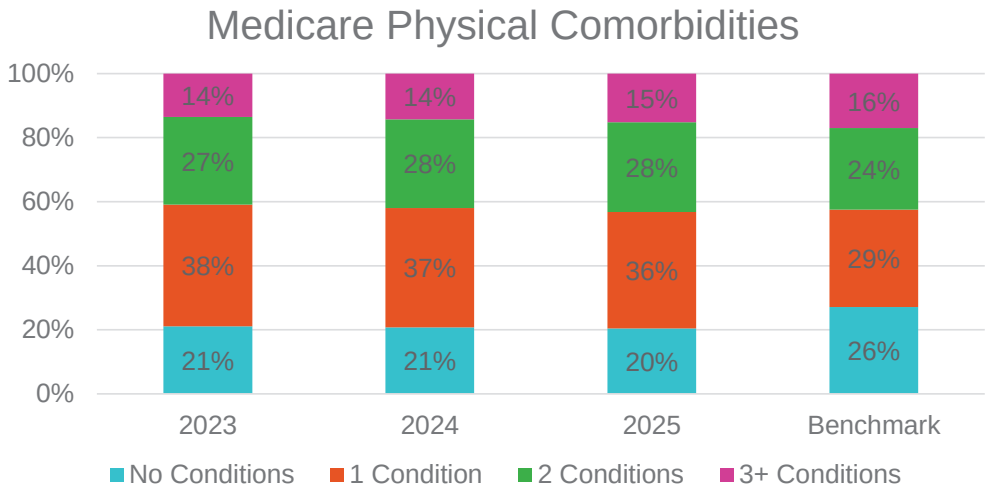
Kaiser Chronic Condition[2]	Members	% of Total	SHAPE Norm[1]	Medical Claims[2]	% of Total	PMPY	PMPY Comparison[3]	% Change Prevalence	% Chg. PMPY
Diabetes	569	23.5%	15.9%	$10,684,828	44.1%	$18,778	187%	1.7%	26.4%
CAD	121	5.0%	8.0%	$5,426,425	22.4%	$48,923	488%	1.1%	-13.9%
Asthma	153	6.3%	9.7%	$1,966,456	8.1%	$14,021	140%	1.2%	11.0%
COPD	22	0.9%	1.7%	$466,559	1.9%	$23,135	231%	0.1%	-54.3%
Hypertension	983	40.6%	43.2%	$14,595,479	60.2%	$16,198	162%	3.7%	0.6%
Mental Health	740	30.6%	37.4%	$8,635,415	35.6%	$12,730	127%	4.8%	-15.8%
Substance Abuse	98	4.1%	3.8%	$1,656,862	6.8%	$18,444	184%	0.1%	-48.5%
CHF	45	1.9%	1.2%	$3,194,271	13.2%	$77,437	773%	0.3%	-13.8%
TOTALS (unique)	1,550	64.1%		$18,566,586	76.6%	$13,067	130%	6.1%	-9.6%

- Generally, EUTF's Non-Medicare disease burden is comparable to SHAPE's norms for most conditions.
- For both populations, EUTF's diabetes prevalence is greater than SHAPE's norms. Although EUTF's suite of wellness and disease prevention programming are comparable with State peers, EUTF pre-diabetes program with HMSA is less utilized. Kaiser does have a program in place, but EUTF program specific data has not been provided. EUTF should continue to work with both vendors to increase engagement in diabetes programs by promoting and referring during health screening events, continuing to explore using wellness credit dollars as prizes to incent participation, and monitoring the efficacy of these programs.
- Mental health prevalence increased at a higher rate for both populations. Increase in professional services can be a favorable sign that individuals are seeking necessary care earlier. Continue to promote vendor care access programs.

[1] SHAPE BOB norms adjusted for age/gender based on HMSA's or Kaiser's individual census.
[2] Members with co-morbidities and their corresponding claims are combined in each applicable category.
[3] Reflects the ratio of PMPY costs of members with the chronic condition to the total enrolled population. Chronic condition membership is based on members present at the end of the period.
[4] Substance use disorder (SUD) excludes tobacco use.

Risk & Morbidity Context - HMSA

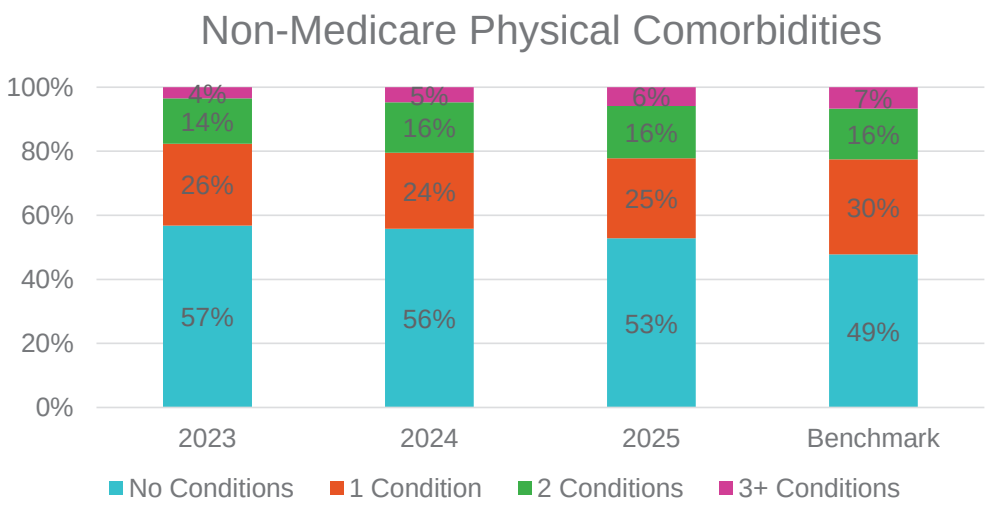


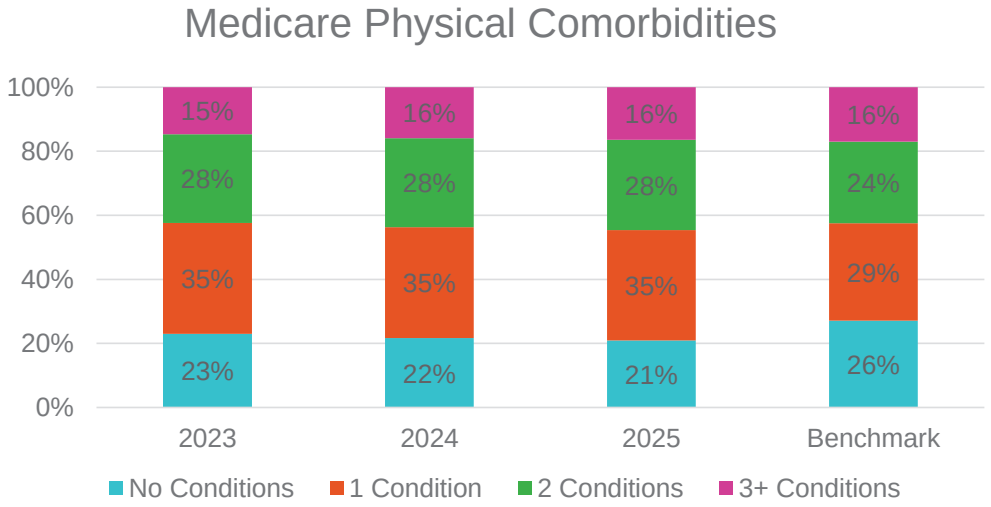


- The mix in the number of individuals with comorbidities has stayed steady from year-to-year. This indicates that members are not rapidly progressing from having one condition to multiple conditions.
- The Non-Medicare population is in-line with the benchmark. The Medicare population has more conditions than the benchmark, which is reflected in part with the overall cost and diseases burden.
- However, the Medicare population is inline with the benchmark for members with 3+ conditions indicating that the current membership with one condition are either generally controlling them or are not significantly aggravating them.

Reflects proportion of members with at least one of the following underlying conditions: Diabetes, Coronary Artery Disease, Asthma, Chronic Obstructive Pulmonary Disease, Hypertension, and/or Congestive Heart Failure.

Risk & Morbidity Context - Kaiser

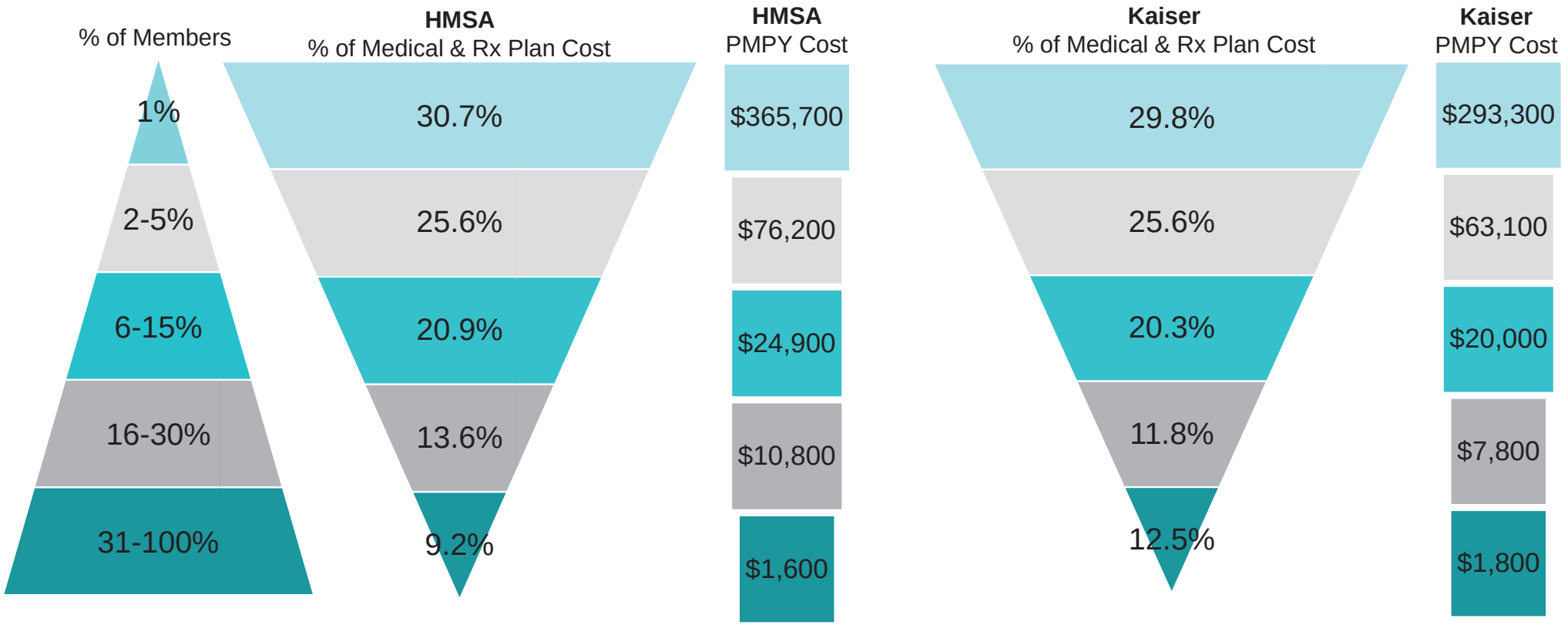




- The Non-Medicare population is better than the benchmark, though it has been slipping over the past few years. A contributing factor may be the continued reduction of the total membership.
- The Medicare population has more conditions than the benchmark and has been steady over time. The Medicare population is inline with the benchmark for members with 3+ conditions indicating that the current membership with one condition are either generally controlling them or are not significantly aggravating them.

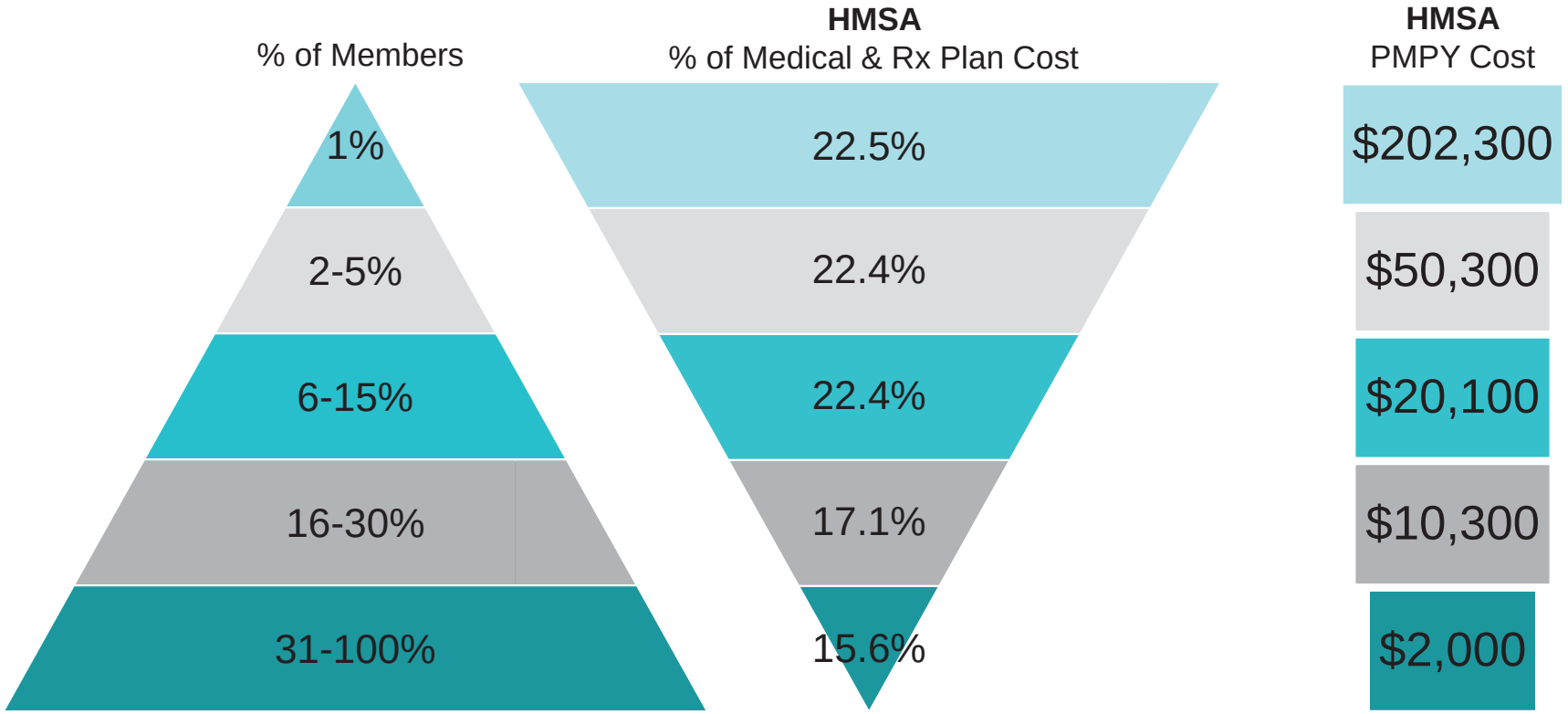
Reflects proportion of members with at least one of the following underlying conditions: Diabetes, Coronary Artery Disease, Asthma, Chronic Obstructive Pulmonary Disease, Hypertension, and/or Congestive Heart Failure.

Non-Medicare Claims Distribution Analysis – CY25



- Only 1% of members account for just over 30% of the total HMSA medical and pharmacy plan cost. Pharmacy spend is less impactful for high-cost acute cases which are mainly facility and professional cost driven.
- Only 1% of members account for nearly 30% of the total Kaiser medical and pharmacy plan cost. Kaiser's cost model along with pharmacy purchasing mitigates the impact of pharmacy on total costs

Medicare Claims Distribution Analysis – CY25



- 1% of members account for about 22% of the total medical and pharmacy plan cost for HMSA. Medicare assumes most of the medical expense and results in pharmacy being a key driver for the top 1%.
- Kaiser does not provide financial data for the Medicare plan.

Program Changes - HMSA

HMSA has been actively updating its program offerings over the prior year and going into the future. Below is a summary of the programs that were in effect through 2025 and the new programs in 2026

Effective in Review Period

Virta Diabetes

Targets members with diabetes, designed to reduce cost by lowering A1C levels through nutrition and weight loss.

Model of Care

Targets members with chronic conditions and high-cost claimants (HCCs). The program is meant to engage a broad swath of the population based on the number of folks with 2+ conditions.

Payment Transformation

This program provided capitated payments to providers to help them manage total member care rather than focus on a fee-for-service approach.

Effective in Future Period

CVS Weight Management (Eff 7/26)

Targets members who are overweight and looks to help curb anti-obesity medication spend.

Virta Diabetes

Targets members with diabetes, designed to reduce cost by lowering A1C levels through nutrition and weight loss.

[redacted]

[redacted]

Medical Pharmacy – Top Five Drug Classes

HMSA Non-Medicare Retirees

Drug Class	EUTF PMPM	Benchmark PMPM	EUTF Encounters per 1,000	Benchmark Encounters per 1,000	EUTF Ave Cost per Encounter	Benchmark Ave Cost per Encounter
Oncology	$43.34	$46.72	75.1	72.4	$6,924.60	$3,658.80
Gout	$7.49	$1.87	2.5	1.0	$36,609.96	$13,102.22
Osteoporosis	$5.96	$1.92	25.8	17.5	$2,773.45	$871.79
Glaucoma	$4.46	$2.65	17.4	15.0	$3,076.97	$846.20
Rare Disorders	$2.24	$4.39	8.1	4.7	$3,318.13	$3,393.02

- Here, EUTF's top five drug-under-medical classes are compared to the average result for clients in Segal's book of business.
- EUTF's PMPM results are higher than benchmark for gout, osteoporosis, and rare disorders. Given that these are conditions with smaller populations, costs are more volatile, and treatment options may be limited.
  - EUTF is at the 96th percentile of SHAPE's book of business for gout costs and 94th percentile for encounters.
  - For rare disorders, EUTF is at the 81st percentile in terms of PMPM costs and 84% in terms of encounters. The rare disorders metrics are highly dependent on which conditions in particular are being treated in the population.

Medical Pharmacy – Top Five Drug Classes

HMSA Medicare Retirees

Drug Class	EUTF PMPM	Benchmark PMPM	EUTF Encounters per 1,000	Benchmark Encounters per 1,000	EUTF Ave Cost per Encounter	Benchmark Ave Cost per Encounter
Oncology	$56.91	$54.50	119.6	81.9	$5,708.22	$3,773.27
Osteoporosis	$15.39	$4.36	103.9	37.6	$1,777.10	$1,389.78
Glaucoma	$9.12	$10.93	52.5	68.1	$2,085.22	$2,171.77
Blood Disorders	$6.16	$9.76	405.9	93.1	$182.07	$855.99
Autoimmune Disease	$5.86	$5.46	30.3	20.3	$2,317.84	$2,117.51

- Here, EUTF's top five drug-under-medical classes are compared to the average result for clients in Segal's book of business.
- EUTF's PMPM cost for oncology ($56.91) is slightly higher than the benchmark average ($54.50). The difference is driven both by more encounters and a costlier drug mix.
- EUTF has higher osteoporosis PMPM spend than any other client included in SHAPE's BOB. Average cost/encounter is only slightly higher, indicating utilization as the source of the cost disparity.

Categories of Focus

Categories of Focus

Category	Observations
High Cost Claimants	Four additional High-Cost Claimants over $1M in current year vs prior. Additional cost associated with cancers and end stage renal disease (ESRD). Ensure HMSA is providing site of care location analysis during the PA or CM process of dispensing oncology drugs and in-network dialysis facilities.
Diabetes & Circulatory Conditions	Higher prevalence of diabetes – Get more people engaged with Virta earlier to manage comorbidities (i.e. Hypertension) and stop progression to other diseases (i.e. ESRD). Circulatory conditions still a top contributor for inpatient spend, where there are increased costs to treat members with Hypertension and CAD (likely due to acute events such as strokes).
Inpatient Spend	While decreasing, in-patient spend is still a higher proportion of place of service cost versus benchmark. HMSA should ensure there is adequate access to office or home infusion services.
Specialty Pharmacy	Pharmacy cost through both HMSA and CVS continued to be a major driver for the Medicare population. Specialty cost trend through HMSA is being driven by cancer and through CVS is being driven by skin, eye and autoimmune disease states. A continued focus on managing disease progression and early detection will help to slow trend.

Categories of Focus – HMSA Specialty Policy

- In 2013, EUTF introduced a specialty pharmacy carve-out based on dispensing site, requiring specialty medications administered in a physician's office to be covered under the CVS drug plan. Over time, this approach fell outside standard practice and caused disruption for EUTF members and prescribers.
- Effective July 1, 2023, the Board approved to allow coverage of specialty medications administered in a physician's office (including ambulatory infusion suite and home IV/infusion site) under the HMSA medical plans.
- When implementing this plan change, HMSA created a policy dependent on site of care and excluded specialty drug coverage when dispensed from a pharmacy.
- Although this was not the intent of the plan change, Segal does not recommend making any changes to this policy because there is less than 1% of duplicate claims billed and because HMSA and CVS vendor policy is similar (new to market drug requests must go through PA/medical exception review).
  - Unless there appears to be systemic issues, Segal does not suggest making changes due to individual cases.
- Double digit trend should not be interpreted as a misalignment between the drugs dispensed under the medical benefit through HMSA as opposed to the pharmacy benefit through CVS.
  - However, there should continue to be a focus on where drugs are being administered to ensure there are not additional cost that are not supported by a clinical rationale.

HMSA Top Specialty Drugs Review

- There is no concerning overlap in the top specialty drugs covered by HMSA versus CVS.
  - Segal does not note any issues to be addressed regarding which channel is being utilized to dispense specialty drugs.
  - Most of the dispensing is done through HMSA for their top specialty drugs.
  - Top drugs are based on 2025 incurred claims.

Non-Medicare Retiree Drugs	HMSA (Plan Paid, Plan Paid/ Claim)	CVS (Plan Paid, Plan Paid/ Claim)
Krystexxa	$1.6M, $33K	$0, $0
Keytruda	$1.4M, $13K	$49K, $12K
Abecma	$0.8M, $771K	$0, $0
Blincyto	$0.7M, $85K	$0, $0
Perjeta	$0.5M, $10K	$0, $0

Medicare Retiree Drugs	HMSA (Plan Paid, Plan Paid/ Claim)	CVS (Plan Paid, Plan Paid/ Claim)
Keytruda	$9.1M, $14K	$0.2M, $15K
Prolia	$6.9M, $2K	$6.7M, $2K
Opdivo	$4.4M, $11K	$0, $0
Darzalex	$3.7M, $10K	$0.1M, $41K
Vabysmo	$2.4M, $2K	<$0.1M, $5K

Benchmarking – Dental Summary

Dental Benefits - Retirees	EUTF Members – HDS	State of CA – Delta Dental PPO	State of OR – Delta Dental of Oregon	State of WA – Uniform Dental Plan	HDS – HDS Deluxe
CY 26 Self Only Premium	$51	$45	$73	$52	[redacted]
Plan Maximum	$2,000	$2,000	$1,750	$1,750	[redacted]
Major Care	40%	20% for crowns; 40% for bridges; 50% for implants	50% (12 month waiting period	50%	[redacted]
Porcelain/White Crowns	Base benefit is metallic, additional member cost for white crowns.	Not referenced within the SPD	50% (12 month waiting period, metallic base benefit)	50% (stainless steel and prefabricated)	[redacted]
Orthodontics	50% ($1,000 lifetime max for adults and children)	50% ($1,000 lifetime max for adults, $1,500 lifetime max for children)	Not Covered	50% ($1,750 lifetime max for adults and children)	[redacted]

Major Care

- EUTF's program generally provides richer major care benefits (crowns, fixed bridges and dentures, and implants) compared to the HDS prevalent plan and most peers.
- EUTF members pay a lower coinsurance and have similar or shorter frequency limitations for major care benefits. This peer analysis was based on publicly available benefit summaries which did not specifically reference benefit waiting periods for major care services, however, these summaries include caveats (i.e., limitations or waiting periods may apply for some benefits; some services may be excluded from your plan), which implies benefit waiting periods could apply.
- Compared to mainland states like California, Oregon, and Washington, EUTF's plan is comparable or less costly to the participant.
- In response to member concerns about the cost of white crowns, EUTF began a multiyear plan to move towards white crowns by implementing posterior composite fillings effective January 1, 2026. Based on retiree benchmarks EUTF may wish to extend the timeline on determining whether to implement a full white crown benefit.

Orthodontics

- EUTF may wish to consider increasing the lifetime maximum for orthodontic services.

Benchmarking – Vision Summary

Vision Benefits - Retirees	EUTF Members – VSP Signature	State of CA – VSP Basic	State of OR – Provided within the medical plan	State of WA – EyeMed
CY 26 Self Only Premium	$4	$6	N/A	$7
Frame Allowance	$150	$150	$200 / 2 years	$200
Contact Lenses Allowance	$130	$110	$200 / 2 years	$200

- EUTF's vision plans are cheaper than other state comparators and offer similar benefits to that of their peers.
- EUTF may consider increasing the frame / contact lenses, however the current benefit is comparable to the State of CA.

Questions?

Appendix

Key Health Performance Metrics – HMSA

Non-Medicare Retiree Members 2025

Claims Summary[1]

Place of Service	Prior Period Total Allowed Amount	Prior Period Total Allowed PMPM	Prior Period % of Total	Current Period Total Allowed Amount	Current Period Total Allowed PMPM	Current Period % of Total	% Change in PMPM
Outpatient Hospital	$25,141,909	$209.49	19.5%	$26,150,062	$222.98	18.7%	6.4%
Inpatient Hospital	$23,433,872	$195.26	18.2%	$25,582,221	$218.14	18.3%	11.7%
Professional	$20,878,031	$173.96	16.2%	$21,850,130	$186.32	15.6%	7.1%
Emergency Room	$4,220,158	$35.16	3.3%	$3,917,871	$33.41	2.8%	-5.0%
Urgent Care	$814,365	$6.79	0.6%	$843,870	$7.20	0.6%	6.0%
Drugs Under Medical	$8,246,757	$68.71	6.4%	$11,292,846	$96.29	8.1%	40.1%
All Others[1]	$2,994,237	$24.95	2.3%	$2,781,976	$23.72	2.0%	-4.9%
Total Medical	$85,729,329	$714.32	66.5%	$92,418,977	$788.06	66.0%	10.3%
Paid By Plan	$65,189,419	$543.18	50.5%	$72,857,368	$621.26	52.1%	14.4%
Paid By Member	$20,539,910	$171.14	15.9%	$19,561,608	$166.80	14.0%	-2.5%
Total Rx	$43,260,620	$360.46	33.5%	$47,526,381	$405.26	34.0%	12.4%
Paid By Plan	$41,542,968	$346.15	32.2%	$45,856,226	$391.02	32.8%	13.0%
Paid By Member	$1,717,653	$14.31	1.3%	$1,670,155	$14.24	1.2%	-0.5%
Total Paid	$128,989,949	$1,074.78	100.0%	$139,945,358	$1,193.32	100.0%	11.0%

Utilization Metrics

Category	Prior Period	Current Period	Change	SHAPE Norm[1]	Comparison to Norm
Avg Membership Per Month[2]	10,001	9,773	-2.3%	n/a	n/a
Office Visits per 1,000	7,001	7,000	0.0%	6,636	5.5%
Inpatient Admissions Per 1,000	42	43	2.3%	51	-15.1%
Inpatient Days per 1,000	211	268	27.1%	313	-14.3%
Average Inpatient Day Cost	$10,542	$9,650	-8.5%	$7,367	31.0%
Average Cost per Admission	$52,684	$59,909	13.7%	$45,300	32.3%
ER Visits per 1,000	227	220	-3.2%	229	-4.0%
Urgent Care Visits per 1,000	460	469	1.9%	274	71.1%
Rx Scripts per 1,000	13,649	13,686	0.3%	19,727	-30.6%

[1] All amounts represent total claim cost; i.e., member and plan paid amounts to remove impact of plan design. Hospital costs include facility and corresponding professional charges.
[2] "All Others" includes Ancillary type services such as Home Health, Ambulance, and DME.
[3] Pharmacy costs do not reflect rebates.
[4] Readmissions reflect all subsequent admissions; does not account for planned readmissions or step-down units within the same facility.
[5] Reflects the Segal data warehouse public sector book of business, 2023 data, age/gender adjusted, no geographic adjustment.

Key Health Performance Metrics – HMSA

Medicare Retiree Members 2025

Claims Summary[1]

Place of Service	Prior Period Total Allowed Amount	Prior Period Total Allowed PMPM	Prior Period % of Total	Current Period Total Allowed Amount	Current Period Total Allowed PMPM	Current Period % of Total	% Change in PMPM
Outpatient Hospital	$131,125,643	$228.31	14.3%	$137,640,195	$236.88	14.2%	3.8%
Inpatient Hospital	$233,614,019	$406.75	25.5%	$229,763,014	$395.42	23.7%	-2.8%
Professional	$113,764,272	$198.08	12.4%	$118,123,905	$203.29	12.2%	2.6%
Emergency Room	$21,554,234	$37.53	2.4%	$23,136,516	$39.82	2.4%	6.1%
Urgent Care	$2,204,007	$3.84	0.2%	$2,425,953	$4.18	0.3%	8.8%
Drugs Under Medical	$59,662,855	$103.88	6.5%	$73,346,291	$126.23	7.6%	21.5%
All Others[1]	$65,525,508	$114.09	7.2%	$66,717,403	$114.82	6.9%	0.6%
Total Medical	$627,450,537	$1,092.46	68.6%	$651,153,278	$1,120.64	67.1%	2.6%
Paid By Plan	$115,222,673	$200.62	12.6%	$119,960,360	$206.45	12.4%	2.9%
Paid By Member	$512,227,864	$891.85	56.0%	$531,192,918	$914.19	54.8%	2.5%
Total Rx	$287,262,555	$500.16	31.4%	$318,950,568	$548.92	32.9%	9.7%
Paid By Plan	$277,771,978	$483.63	30.4%	$311,679,295	$536.40	32.1%	10.9%
Paid By Member	$9,490,577	$16.52	1.0%	$7,271,273	$12.51	0.7%	-24.3%
Total Paid	$914,713,092	$1,592.62	100.0%	$970,103,846	$1,669.56	100.0%	4.8%

Utilization Metrics

Category	Prior Period	Current Period	Change	SHAPE Norm[1]	Comparison to Norm
Avg Membership Per Month[2]	47,862	48,421	1.2%	n/a	n/a
Office Visits per 1,000	8,855	9,057	2.3%	8,667	4.5%
Inpatient Admissions Per 1,000	145	142	-2.3%	161	-11.8%
Inpatient Days per 1,000	874	935	6.9%	899	4.0%
Average Inpatient Day Cost	$4,897	$4,462	-8.9%	n/a	n/a
Average Cost per Admission	$29,529	$29,435	-0.3%	n/a	n/a
ER Visits per 1,000	467	482	3.2%	491	-1.9%
Urgent Care Visits per 1,000	471	528	12.1%	225	134.6%
Rx Scripts per 1,000	21,366	21,751	1.8%	34,368	-36.7%

[1] All amounts represent total claim cost; i.e., member and plan paid amounts to remove impact of plan design. Hospital costs include facility and corresponding professional charges.
[2] "All Others" includes Ancillary type services such as Home Health, Ambulance, and DME.
[3] Pharmacy costs do not reflect rebates.
[4] Readmissions reflect all subsequent admissions; does not account for planned readmissions or step-down units within the same facility.
[5] Reflects the Segal data warehouse public sector book of business, 2023 data, age/gender adjusted, no geographic adjustment.

Key Health Performance Metrics – Kaiser

Non-Medicare Retiree Members 2025

Claims Summary[1]

Place of Service	Prior Period Total Allowed Amount	Prior Period Total Allowed PMPM	Prior Period % of Total	Current Period Total Allowed Amount	Current Period Total Allowed PMPM	Current Period % of Total	% Change in PMPM
Outpatient Hospital	$5,490,197	$202.01	20.8%	$6,596,002	$227.24	23.5%	12.5%
Inpatient Hospital	$5,539,141	$203.81	21.0%	$4,550,725	$156.78	16.2%	-23.1%
Professional	$4,115,407	$151.42	15.6%	$4,388,870	$151.20	15.6%	-0.1%
Emergency Room	$1,729,607	$63.64	6.5%	$2,017,013	$69.49	7.2%	9.2%
Urgent Care	$213,616	$7.86	0.8%	$231,458	$7.97	0.8%	1.5%
Drugs Under Medical	$1,783,723	$65.63	6.8%	$2,090,762	$72.03	7.4%	9.7%
All Others[1]	$4,192,757	$154.27	15.9%	$4,356,449	$150.08	15.5%	-2.7%
Total Medical	$23,064,448	$848.64	87.3%	$24,231,279	$834.78	86.3%	-1.6%
Paid By Plan	$21,636,244	$796.09	81.9%	$21,594,890	$743.96	76.9%	-6.5%
Paid By Member	$1,428,205	$52.55	5.4%	$2,636,389	$90.83	9.4%	72.8%
			0.0%				
Total Rx	$3,359,320	$123.60	12.7%	$3,860,492	$133.00	13.7%	7.6%
Paid By Plan	$3,014,828	$110.93	11.4%	$3,486,027	$120.10	12.4%	8.3%
Paid By Member	$344,492	$12.68	1.3%	$374,465	$12.90	1.3%	1.8%
Total Paid	$26,423,769	$972.25	100.0%	$28,091,771	$967.78	100.0%	-0.5%

Utilization Metrics

Category	Prior Period	Current Period	Change	SHAPE Norm[1]	Comparison to Norm
Avg Membership Per Month[2]	2,265	2,419	6.8%	n/a	n/a
Office Visits per 1,000	6,842	7,178	4.9%	6,798	5.6%
Inpatient Admissions Per 1,000	54	43	-21.6%	53	-19.8%
Inpatient Days per 1,000	308	239	-22.3%	333	-28.2%
Average Inpatient Day Cost	$6,115	$7,646	25.0%	$7,196	6.3%
Average Cost per Admission	$34,702	$42,980	23.9%	$45,170	-4.8%
ER Visits per 1,000	222	263	18.2%	234	12.2%
Urgent Care Visits per 1,000	618	622	0.7%	276	125.8%
Rx Scripts per 1,000	10,565	10,892	3.1%	20,208	-46.1%

[1] All amounts represent total claim cost; i.e., member and plan paid amounts to remove impact of plan design. Hospital costs include facility and corresponding professional charges.
[2] "All Others" includes Ancillary type services such as Home Health, Ambulance, and DME.
[3] Pharmacy costs do not reflect rebates.
[4] Readmissions reflect all subsequent admissions; does not account for planned readmissions or step-down units within the same facility.
[5] Reflects the Segal data warehouse public sector book of business, 2023 data, age/gender adjusted, no geographic adjustment.

Key Health Performance Metrics – Kaiser

Medicare Retiree Members 2025

Utilization Metrics

Category	Prior Period	Current Period	Change	SHAPE Norm[1]	Comparison to Norm
Avg Membership Per Month[2]	9,077	9,137	0.7%	n/a	n/a
Office Visits per 1,000	10,600	10,522	-0.7%	8,737	20.4%
Inpatient Admissions Per 1,000	162	154	-4.9%	163	-5.4%
Inpatient Days per 1,000	916	852	-7.0%	911	-6.4%
Average Inpatient Day Cost	n/a	n/a	n/a	n/a	n/a
Average Cost per Admission	n/a	n/a	n/a	n/a	n/a
ER Visits per 1,000	415	439	5.7%	494	-11.3%
Urgent Care Visits per 1,000	676	644	-4.6%	222	190.2%
Rx Scripts per 1,000	19,747	20,117	1.9%	34,387	-41.5%

[1] All amounts represent total claim cost; i.e., member and plan paid amounts to remove impact of plan design. Hospital costs include facility and corresponding professional charges.
[2] "All Others" includes Ancillary type services such as Home Health, Ambulance, and DME.
[3] Pharmacy costs do not reflect rebates.
[4] Readmissions reflect all subsequent admissions; does not account for planned readmissions or step-down units within the same facility.
[5] Reflects the Segal data warehouse public sector book of business, 2023 data, age/gender adjusted, no geographic adjustment.

Clinical Quality Performance Comparison

Chronic Conditions	Clinical Quality Metrics	HMSA Non-Medicare	HMSA Medicare	Kaiser Non-Medicare	Kaiser Medicare	SHAPE[1] Non-Medicare	SHAPE[1] Medicare
Diabetes	At least 1 hemoglobin A1C tests in last 12 months	90.0%	85.0%	83.3%	95.8%	87.9%	69.7%
	Annual screening for diabetic nephropathy	77.1%	75.7%	71.5%	87.1%	67.4%	59.3%
	Annual screening for diabetic retinopathy	53.9%	64.5%	41.8%	60.0%	37.4%	57.3%
CAD	Patients currently taking an ACE-Inhibitor or ARB Drug	41.7%	48.1%	51.2%	54.1%	35.0%	45.2%
	Patients currently taking a statin	85.0%	85.2%	71.1%	81.1%	63.9%	79.0%
Hyperlipidemia	Total cholesterol testing in last 12 months	86.0%	80.7%	70.5%	82.3%	77.6%	55.7%
COPD	Spirometry testing in last 12 months	17.4%	16.6%	13.6%	14.7%	31.2%	30.4%
Asthma	Patients with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	78.3%	82.6%	88.2%	83.6%	83.1%	88.4%
Preventive Screening	Cervical cancer	40.8%	26.4%	23.5%	14.8%	53.3%	40.1%
	Breast cancer	57.6%	49.7%	43.0%	49.7%	71.6%	63.4%
	Colorectal cancer	35.4%	37.0%	55.0%	64.5%	52.5%	52.0%
	Prostate cancer	51.4%	54.0%	51.7%	57.7%	52.1%	39.0%

[1] Reflects the Segal data warehouse public sector book of business, 2023 data, age/gender adjusted, no geographic adjustment.

Pharmacy Analysis – CVS

Non-Medicare Retiree Members 2025

Class	Prior Rank	Prior Period Total Scripts	Prior Period Total Cost	Prior Period Generic Fill Rate	Prior Period PMPM	Current Period Total Scripts	Current Period Total Cost	Current Period Generic Fill Rate	Current Period PMPM	% Change Total Scripts	% Change Total Cost	% Change PMPM
1. Diabetes	1	14,774	$14,087,506	35.4%	$117.38	14,642	$15,104,254	33.0%	$128.79	-0.9%	7.2%	9.7%
2. Oncology	2	1,140	$4,657,468	75.3%	$38.81	1,135	$5,161,608	73.2%	$44.01	-0.4%	10.8%	13.4%
3. Autoimmune Disease	3	925	$3,786,527	19.9%	$31.55	832	$3,794,971	20.0%	$32.36	-10.1%	0.2%	2.6%
4. Psoriasis	4	293	$2,480,288	19.5%	$20.67	270	$3,093,478	19.6%	$26.38	-7.8%	24.7%	27.6%
5. Skin Disorders	6	4,247	$2,025,583	84.2%	$16.88	4,443	$2,815,551	80.9%	$24.01	4.6%	39.0%	42.2%
6. Obesity Management	9	813	$1,131,998	0.5%	$9.43	2,003	$2,530,936	0.8%	$21.58	146.4%	123.6%	128.8%
7. Blood Disorders	5	1,730	$2,173,687	35.1%	$18.11	1,576	$2,046,486	41.4%	$17.45	-8.9%	-5.9%	-3.7%
8. Asthma/COPD	7	5,502	$1,916,523	77.8%	$15.97	5,131	$1,876,854	78.2%	$16.00	-6.7%	-2.1%	0.2%
9. Lipid / Cholesterol Disorders	8	14,780	$1,133,738	96.4%	$9.45	14,474	$954,290	96.5%	$8.14	-2.1%	-15.8%	-13.9%
10. Migraine	15	853	$497,765	57.2%	$4.15	920	$670,746	52.8%	$5.72	7.9%	34.8%	37.9%
Total		**45,057**	**$33,891,084**	**65.6%**	**$282.39**	**45,426**	**$38,049,172**	**63.0%**	**$324.45**	**0.8%**	**12.3%**	**14.9%**

Pharmacy Analysis – CVS

Medicare Retiree Members 2025

Class	Prior Rank	Prior Period Total Scripts	Prior Period Total Cost	Prior Period Generic Fill Rate	Prior Period PMPM	Current Period Total Scripts	Current Period Total Cost	Current Period Generic Fill Rate	Current Period PMPM	% Change Total Scripts	% Change Total Cost	% Change PMPM
1. Diabetes	1	88,030	$73,106,483	39.5%	$127.29	92,222	$80,325,862	38.2%	$138.24	4.8%	9.9%	8.6%
2. Oncology	2	9,534	$49,958,639	67.1%	$86.98	10,412	$57,637,550	63.5%	$99.19	9.2%	15.4%	14.0%
3. Blood Disorders	3	26,662	$23,822,768	29.7%	$41.48	28,023	$27,241,349	30.8%	$46.88	5.1%	14.4%	13.0%
4. Cardiovascular / Heart Disease	4	11,963	$14,693,970	67.6%	$25.58	12,888	$16,656,391	73.8%	$28.67	7.7%	13.4%	12.0%
5. Asthma/COPD	5	36,584	$12,401,165	71.2%	$21.59	38,672	$13,788,959	71.8%	$23.73	5.7%	11.2%	9.9%
6. Autoimmune Disease	7	3,057	$8,812,651	53.0%	$15.34	3,481	$11,735,978	46.6%	$20.20	13.9%	33.2%	31.6%
7. Lipid / Cholesterol Disorders	6	119,112	$10,808,502	96.1%	$18.82	124,408	$10,700,984	96.1%	$18.42	4.4%	-1.0%	-2.1%
8. Skin Disorders	11	24,483	$6,811,477	92.0%	$11.86	25,230	$10,693,463	88.4%	$18.40	3.1%	57.0%	55.2%
9. Osteoporosis	8	17,574	$8,370,496	76.6%	$14.57	18,177	$9,554,482	75.4%	$16.44	3.4%	14.1%	12.8%
10. Psoriasis	14	775	$4,662,199	37.5%	$8.12	932	$7,457,715	28.8%	$12.83	20.3%	60.0%	58.1%
Total		**337,774**	**$213,448,348**	**69.7%**	**$371.64**	**354,445**	**$245,792,733**	**69.2%**	**$423.01**	**4.9%**	**15.2%**	**13.8%**

Pharmacy Analysis – Kaiser

Non-Medicare Retiree Members 2025

Class	Prior Rank	Prior Period Total Scripts	Prior Period Total Cost	Prior Period Generic Fill Rate	Prior Period PMPM	Current Period Total Scripts	Current Period Total Cost	Current Period Generic Fill Rate	Current Period PMPM	% Change Total Scripts	% Change Total Cost	% Change PMPM
1. Diabetes	1	3,298	$835,161	64.4%	$30.73	3,794	$951,961	64.6%	$32.80	15.0%	14.0%	6.7%
2. Skin Disorders	11	815	$476,933	84.8%	$17.55	900	$676,832	81.3%	$23.32	10.4%	41.9%	32.9%
3. Blood Disorders	3	369	$425,247	74.0%	$15.65	430	$477,846	72.3%	$16.46	16.5%	12.4%	5.2%
4. Oncology	2	215	$685,595	84.7%	$25.23	226	$365,190	89.8%	$12.58	5.1%	-46.7%	-50.1%
5. Autoimmune Disease	7	85	$162,764	30.6%	$5.99	112	$232,307	17.0%	$8.00	31.8%	42.7%	33.6%
6. Viral Infections/HIV AIDS	26	8	$43,630	50.0%	$1.61	36	$165,234	41.7%	$5.69	350.0%	278.7%	254.6%
7. Asthma/COPD	5	1,077	$124,444	78.3%	$4.58	1,090	$136,135	81.0%	$4.69	1.2%	9.4%	2.4%
8. Psoriasis	14	24	$24,129	91.7%	$0.89	59	$101,875	52.5%	$3.51	145.8%	322.2%	295.3%
9. Lung Disease	20	n/a	n/a	n/a	n/a	7	$90,026	0.0%	$3.10	100.0%	100.0%	100.0%
10. Anti-Infectives	17	1,813	$34,401	99.8%	$1.27	1,983	$66,443	99.5%	$2.29	9.4%	93.1%	80.8%
Total		**7,704**	**$2,812,302**	**77.6%**	**$103.48**	**8,637**	**$3,263,849**	**76.6%**	**$112.44**	**12.1%**	**16.1%**	**8.7%**

Chiropractic Coverage

- HMSA asked if the EUTF would consider adding chiropractic coverage for retirees.
- Based on EUTF's historic chiropractic benefits utilization (9.2% to 10.4%), Segal believes the estimated annual costs ($500,000 for non-Medicare retirees and $2.85M for Medicare retirees) of adding an ASH chiropractic rider to the retiree plans could be a financial burden to retirees receiving less than the full premium subsidy.
- For this reason, we do not believe it is advisable to add chiropractic coverage to the NM or MC retiree plans currently, despite the inconsistency with your peer plans.

EUTF Non-Medicare Retirees	HMSA Subscriber Enrollment	HMSA Est. PRPM	KP Subscriber Enrollment	KP Est. PRPM
Single	1,904	$4.30	433	$3.20
2-Party	2,023	$8.62	432	$6.48
Family	1,100	$9.10	173	$9.56
Estimated additional annual cost:		**$430,000**		**$70,000**

EUTF Medicare Retirees	HMSA Subscriber Enrollment	HMSA Est. PRPM	KP Subscriber Enrollment	KP Est. PRPM
Single	22,099	$4.30	4,765	$3.20
2-Party	12,465	$8.62	2,240	$6.48
Family	517	$9.10	79	$9.56
Estimated additional annual cost:		**$2,490,000**		**$370,000**