

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Tuesday, May 26, 2026

TRUSTEES PRESENT

Mr. James Wataru, Chairperson
Mr. Osa Tui, Vice Chairperson
Ms. Jacqueline Ferguson-Miyamoto
Mr. Brian Furuto

Mr. Aedward Los Banos
Ms. Kristen Sakamoto
Mr. Robert Yu

TRUSTEES ABSENT

Ms. Sabrina Nasir, Secretary-Treasurer
Mr. Christian Fern

Ms. Maureen Wakuzawa

ATTORNEY

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

EUTF STAFF (in person, unless otherwise noted)

Ms. Donna Tonaki, Assistant Administrator
Mr. David Okamoto, Chief Investment Officer
Mr. Michael Gadach, Information Systems Chief
Ms. Jessica McDonald, Member Services Branch Manager
Mr. Brett Tatsuno, Investment Officer (via video conference)
Ms. Desiree Yamauchi

Ms. Emily Kaimuloa (via video conference)
Ms. Katie Matsushima
Ms. Lara Nitta (via video conference)
Ms. Melissa Tom (via video conference)
Ms. Mary Zane (via video conference)

CONSULTANTS (via video conference)

Mr. Colin Bebee, Meketa Investment Group
Mr. Tyler Brotz, Segal Consulting
Ms. Shelley Chun Segal Consulting
Ms. Mary Fedor, Segal Consulting

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

OTHERS PRESENT (via video conference)

Mr. Blaise Aquino, HMSA
Ms. Stacia Baek, HDS
Ms. Jessica Benson, Verdegard
Mr. Ty Bowers, CVS
Mr. Francis Cuenca, VCS
Mr. Thomas England, Kaiser
Ms. Samantha Furutani, CVS
Dr. Rupal Gohil, HMSA
Mr. Galen Haneda, HMSA
Ms. Monica Kim, VSP
Ms. Mae Kishimoto, HSTA-Retired
Ms. Joey Lee, HDS

Mr. Kenneth Lee, Kaiser
Ms. Joni Lozano, CVS
Ms. Denise Mercil, Securian
Ms. Kelsi Quon, HMSA
Ms. Taylor Relich, CVS
Ms. Michelle Sasaki, HMSA
Mr. Dave Shiroma, Kaiser
Dr. Rodd Takiguchi, Kaiser
Mr. Troy Tomita, Kaiser
Ms. Valerie Wang, Kaiser
Anonymous

I. CALL TO ORDER

The meeting of the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) was called to order at 9:00 a.m. by Chairperson James Wataru, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, May 26, 2026.

II. REVIEW OF MINUTES – APRIL 28, 2026

The Board reviewed the draft minutes of April 28, 2026. Since there were no edits or objections by the Trustees, the minutes stand approved.

III. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:02 a.m. (Ferguson-Miyamoto/Tui) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 9:23 a.m.

Chairperson Wataru reported that during Executive Session, the Board approved an appeal to add a dependent to plans.

IV. OLD BUSINESS

A. New Chairperson (Employer Trustee), Vice Chairperson (Employer Trustee) and Secretary-Treasurer (Employee Trustee) Effective July 1, 2026

Ms. Donna Tonaki informed the Board that they can select a Chair and Vice Chair from the employer trustees and a Secretary-Treasurer from the employee trustees today or at the June Board meeting.

MOTION was made and seconded to appoint Trustee Sabrina Nasir as Chair of the Board and Trustee Kristen Sakamoto as Vice Chair of the Board effective July 1, 2026. (Yu/Furuto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

MOTION was made and seconded to appoint Trustee James Wataru as Secretary-Treasurer of the Board effective July 1, 2026. (Tui/Furuto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

B. 2026 EUTF Related Legislation

1. HB2276 HD1 SD1
2. HB2472 HD1 SD1

Ms. Tonaki reported that both bills died in conference committee and can be resubmitted at next year's Legislative session if the Board wishes to.

C. Kona Low Storms Update

Ms. Donna Tonaki recommended postponement of canceling members for non-payment and waiving submission deadlines for qualifying events for members affected by the storms for June.

MOTION was made and seconded to waive EUTF Administrative Rules section 4.11(b) *Cancellation Due to Failure to Pay Contribution Shortage* and section 4.05(b) *Failure to File Properly Completed Enrollment Application Within the Prescribed Time* for the month of June 2026 for members who complete a notarized affidavit that were negatively impacted by the storms. (Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

V. COMMITTEE REPORTS

A. Benefits Committee

1. Carrier Utilization Reports for the period ending December 31, 2025

- a. Kaiser Permanente Semi-Annual Utilization Report
- b. HMSA Semi-Annual Utilization Report
- c. Humana Annual Utilization Report
- d. HDS Retiree Annual Utilization Report
- e. VSP Retiree Annual Utilization Report

Ms. Tonaki summarized the Benefits Committee report related to these items.

2. Kaiser Permanente Proposed Plan Changes

Ms. Tonaki summarized the recommendations from the Benefits Committee.

MOTION was made and seconded to approve the Benefits Committee's recommendation to add 100% coverage of post-discharge non-emergency medical transportation (NEMT) under the Kaiser Permanente retiree and active plans effective January 1, 2027 and July 1, 2027, respectively. (Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

MOTION was made and seconded to approve the Benefits Committee's recommendation to change the day supply limit for maintenance medications from 90 to 100 days under the Kaiser Permanente Senior Advantage (KPSA) plans effective January 1, 2027. (Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

3. HMSA Primary Care Payment Model

Trustee Tui discussed an article that Civil Beat published today, and had concerns that HMSA did not provide adequate notice to the physicians regarding the change in the Primary Care Payment Model that is taking effect on July 1, 2026 and that these physicians could potentially lose thousands of dollars. He also expressed frustration that HMSA has been in talks for over a year about the change with others, but never with EUTF.

4. 2026 Segal Retiree Annual Report

Ms. Tonaki summarized Segal's annual review of the retiree plans.

B. Investment Committee

1. Quarterly Performance Report – Q1 2026

Mr. Colin Bebee, Meketa Investment Group, highlighted significant points in the Q1 Performance Report. The OPEB Trust finished the quarter at \$10.3 billion, gaining 1.1% and 13.1% (net of fees) for the quarter and 1-year, respectively. The quarter's result outperformed the policy benchmark of 0.9%, while 1-year performance trailed the benchmark of 13.4%, primarily due to underperformance in the Aggressive Growth asset classes. Specifically, relative returns were impacted by short-term benchmarking challenges in Private Equity and the year's sharp Micro Cap growth rally which was not fully captured by the manager's quality bias. Since inception (June 23, 2011), the portfolio has returned 7.5% (net of fees) versus the policy benchmark return of 7.6%.

The EUTF Trust Fund finished the quarter at \$486.4 million, up 1.0% for the quarter and 8.7% for the 1-year period (net of fees). Since inception (October 1, 2013), the portfolio has returned 4.1% (net of fees).

2. Quarterly Private Equity Report and Annual Portfolio Review – Q4 2025
Mr. David Okamoto summarized the Investment Committee report related to the fourth-quarter 2025 private equity performance report and annual asset class review.
3. Governance Education Session – Delegated Authority
Mr. Bebee presented an education session on delegated authority and the Total Portfolio Approach (TPA). Meketa and EUTF staff do not believe that a full implementation of TPA is appropriate at this time, but further expansion of delegated authority could be beneficial. Based on feedback from the Investment Committee and Board in favor of exploring the concept further, Meketa and staff will bring forth additional education on delegated authority, including example policies and procedures.
4. Quarterly Private Credit Report – Q4 2025
This report was included for informational purposes only and was not discussed at the meeting.
5. Quarterly Private Real Assets Report – Q4 2025
This report was included for informational purposes only and was not discussed at the meeting.

VI. REPORTS

A. EUTF Benefits Consultant (Segal)

1. Quarterly Plan Performance Report through March 31, 2026
2. Compliance News
Ms. Tammy Halter, Segal Consulting, summarized the Segal reports.

B. Administrator

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

C. EUTF Managers' and Program Specialists' Reports

1. Member Services Branch (MSB)
 - a. MSB Data
 - b. Outreach & Training
 - c. 2026 Active Open Enrollment
Ms. Tonaki summarized current active employee open enrollment activity and advised that open enrollment ends on May 29, 2026.
2. Information Systems (IS)
 - a. EUTF Benefits Administration System (BAS) Project
 - b. Risk and Vulnerability Assessment
 - c. Enrollment Counts
3. Eligibility and Enrollment Report
 - a. Audits Currently in Progress
 - b. Point in Time Reconciliation Audits
 - c. Recurring Audits
4. Health and Wellness Report

- a. Worksite Wellness
- b. Preventive Health
- c. Chronic Disease Management
5. Financial Services Branch (FSB)
 - a. FSB Performance Data
 - b. Refunds and Medicare Part B Overpayments Status
 - c. EUTF Collections
 - d. Financial Statements as of February 28, 2026 and March 31, 2026
- D. Carrier Reports
 1. CVS Caremark
 2. SilverScript
 3. Hawaii Dental Service (HDS)
 4. Hawaii Medical Service Association (HMSA)
 5. Humana
 6. Kaiser Health Foundation
 7. Securian
 8. Verdegard Hawaii
 9. Vision Service Plan (VSP)

III. EXECUTIVE SESSION (continued)

The Board meeting recessed and moved into Executive Session at 10:00 a.m.

The regular meeting reconvened at 10:57 a.m.

Chairperson Wataru reported that during Executive Session, the Board:

- Approved CVS' proposed inflation cap and trend guarantees for the non-Medicare retiree and active prescription drug plans administered by CVS effective January 1, 2026 and July 1, 2026, respectively.
- Approved a commitment of funds to a private equity fund, subject to contract negotiations.
- Approved a commitment of funds to a private real assets fund, subject to contract negotiations
- Approved a contract extension under RFP 20-002 Health Benefits Administration System.
- Reviewed and discussed the April 28, 2026 minutes. Since there were no edits, the minutes stand approved.

VII. NEXT MEETING

Tuesday, June 23, 2026, 9:00 a.m. – Retiree premiums effective January 1, 2027

VIII. ADJOURNMENT

MOTION was made and seconded for the Board to adjourn the meeting at 10:57 a.m. (Tui/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-4/ Employee-Beneficiary Trustees-3)

APPROVED on June 23, 2026.

Documents Distributed:

1. Draft Board Minutes for April 28, 2026. (5 pages)
2. EUTF Legislative Update, dated May 15, 2026. (9 pages)

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

May 26, 2026 Minutes

Page 6

3. Memorandum to BOT from Financial Management Officer, regarding Update on Waiver of EUTF Administrative Rule Related to Non-Payment of Premiums 4.11(b) and Failure to File Supporting Documents Timely 4.05(b) Due to Kona Low Storms, dated May 14, 2026. (1 page)
4. Memorandum to EUTF BOT from Benefits Committee, regarding May 19, 2026 Benefits Committee Meeting – Confidential, dated May 26, 2026, Redacted Version. (2 pages)
5. Memorandum to EUTF BOT from Investment Committee, regarding May 18, 2026 Investment Committee Meeting Report, dated May 19, 2026. (2 pages)
6. EUTF, YTD Contract Plan Experience Report, Contract Year to Date through March 31, 2025, dated May 26, 2026. (42 pages)
7. Memorandum to BOT EUTF from Segal, regarding Segal Reports – Compliance News, dated May 26, 2026. (2 pages)
8. Administrator’s Monthly Report to the Board for April 17, 2026 – May 14, 2026, dated May 14, 2026. (1 page)
9. Memorandum to BOT from Member Services Branch Manager, regarding March – April 2026 Member Services Operations Report, dated May 14, 2026. (6 pages)
10. Memorandum to BOT from Information Systems Chief, regarding April – May 2026 Information Systems (IS) Operations Report, dated May 14, 2026. (9 pages)
11. Memorandum to BOT from Eligibility Specialist regarding April – May 2026 Eligibility and Enrollment Report, dated May 14, 2026. (2 pages)
12. Memorandum to EUTF BOT from Health and Wellness Specialist regarding April – May Health and Wellness Specialist Report, dated May 14, 2026. (6 pages)
13. Memorandum to BOT from EUTF Financial Management Officer regarding April – May 2026 Financial Services Branch (FSB) Report, May 14, 2026. (25 pages)
14. CVS/Caremark Monthly Carrier Report for April 2026 dated May 4, 2026. (4 pages)
15. SilverScript Monthly Carrier Report for April 2026 dated May 1, 2026. (2 pages)
16. HDS Monthly Carrier Report for April 2026 dated May 8, 2026. (2 pages)
17. HMSA Monthly Carrier Report for April 2026 dated May 8, 2026. (3 pages)
18. Humana Monthly Carrier Report for April 2026 dated May 8, 2026. (3 pages)
19. Kaiser Permanente Monthly Carrier Report for April 2026 dated May 7, 2026. (2 pages)
20. Securian Financial Monthly Carrier Report for April 2026 dated May 7, 2026. (1 page)
21. Verdegard Hawaii Monthly Carrier Report for April 2026 dated May 8, 2026. (2 pages)
22. VSP Vision Care Monthly Carrier Report for April 2026 dated May 8, 2026. (6 pages)