

WELCOME TO

**THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND**
Maui County Council

2023



This presentation is a brief summary and does not constitute a legal document or contract and is subject to change.



Background



Retiree Benefits and OPEB



2023 Legislative Session



Enrollment Trends



Historical Costs



Active Premium Trends

AGENDA



Background





Fully-Insured, Fully-Insured with Refunding and Self-Insured Plans

Fully Insured Plans



Risk of loss and gain is retained by the insurer.

EUTF pays an insurance charge.

Kaiser medical, prescription drug, and chiropractic; Humana Medicare Advantage medical and Securian life plans

Fully Insured with Refunding



Risk of loss is retained by the insurer but gains are returned to EUTF.

EUTF pays an insurance charge.

HMSA medical, HDS dental and VSP vision plans

Self Insured Plans



Risk of loss and gain is retained by the EUTF.

There is no insurance charge.

Prescription drug (pharmacy benefit manager CVS and SilverScript) and supplemental medical and prescription drug plans (administered by HMA)

The EUTF Board with the advice of their benefits consultant evaluates whether to fully insure, fully insure with refunding, or self insure during each RFP cycle.



How carriers are selected



A Request for proposals is issued



Contracts up to four years inclusive of extensions.



Medical and prescription drug contract extensions end 12/31/24 for retirees and 6/30/25 for active employees.



Dental, vision and life insurance contract extensions end 12/31/26 for retirees and 6/30/27 for active employees.



Retiree Benefits and OPEB

What is EUTF Retiree Benefit?

Employer Contribution

Contribution Determination

Medicare Part B Premium Reimbursement

Retiree Benefits for Spouse

- Employer contributions to retiree (and dependents) health premiums
 1. Based on years of service and hire date. No employer contributions for dependents of retirees hired after 6/30/01.
 2. Equal to a percentage of the base monthly contribution (BMC), not the premium.
 - ✓ There are different BMCs for Medicare and non-Medicare; and self, two-party or family tiers.
 - ✓ The BMC increases at the same rate as Medicare Part B premiums
- Employers reimburse retiree and spouse Medicare Part B premiums (Part B reimbursements) including income related monthly adjustment amounts (IRMAA)
 1. If eligible (65 and over or disabled), participants in EUTF retiree medical and prescription drug plans are required to enroll in Medicare Parts B and D (Kaiser and SilverScript handle Part D enrollment).
 2. Part B reimbursements are not dependent on hire date (spouses of employees hired after 6/30/01 also receive the reimbursement), years of service and whether the retiree and spouse are enrolled in medical and or prescription drug plans.
 3. Part B reimbursements totaled \$113.1 million in FY22 (\$3.1 million for the COM)
 4. Part B reimbursements represent approx. 22% (or \$126.5 million) and approx. 28% (\$3.3 million) of the COM's AAL and normal cost, respectively.
 5. Spouse Part B reimbursements are approximately 25% of total reimbursements.
- Spouses of employees hired after 6/30/01 may enroll in the EUTF retiree plans but with no employer contributions to EUTF health plan premiums. Retirees pay EUTF premiums for dependent coverage.
- Medicare Part D premiums are NOT reimbursed.



Retiree Benefits and OPEB

What is the EUTF Retiree Benefit?

Retiree Hire Date and Years of Service	Employer Contribution %age of BMC
1) Retiree hired prior to 7/1/96	
< 10 years	50%
10 or more years	100%
2) Retiree hired after 6/30/96 and before 7/1/01	
< 10 years	0%
10-14 years	50%
15-24 years	75%
25 or more years	100%
3) Retiree hired after 6/30/01	
Same as 06/30/96-7/1/01 hires but self only coverage	
Surviving spouses of retirees step into the place of the retiree as long as they do not enter into another marriage or domestic partnership. For hires after 6/30/01, the surviving spouse receives ½ of the deceased retiree's benefit.	



Retiree Benefits and OPEB

EUTF Retiree Benefit

2023 BMC and Premiums	Humana	Kaiser	HMSA	100% BMC	75% BMC	50% BMC
<u>Medicare (including medical, Rx, dental and vision)</u>						
Self	\$328	\$486	\$518	\$824	\$618	\$412
2-Party	642	948	1,010	1,651	1,238	825
Family*	932	1,383	1,475	2,405	1,803	1,202
<u>Non-Medicare (including medical, Rx, dental and vision)</u>						
Self	NA	\$773	\$806	\$1,156	\$867	\$578
2-Party	NA	1,558	1,570	2,331	1,748	1,165
Family	NA	2,277	2,305	3,411	2,558	1,706

* Enrollment in the Humana plan is limited to three people.



Retiree Benefits and OPEB

What is OPEB and how is it funded?

- OPEB stands for other postemployment benefits
 - ✓ The unfunded actuarial accrued liability (UAAL) is the difference between the actuarial accrued liability (AAL) and the actuarial value of assets (AVA).
 - ✓ The funded ratio is the AVA divided by the AAL.
- Generally prior to FY2014, the State and counties only paid the retiree premiums (pay-as-you-go).
- Act 268, SLH 2013 requires employers to fully fund the annual required contribution (ARC) beginning in FY 18-19 (phase in began FY 14-15). The ARC is comprised of the normal cost and an amortization payment to paydown the UAAL over 30 years.
- Act 268 prefunding contributions were suspended for FY21 (Governor's 10th emergency proclamation) and HB468 suspends Act 268 for FY22 and FY23. The COM in FY21 and FY22 made contributions in excess of the ARC of \$42.0 million (\$5 million more than the ARC) and \$44.5 million (\$6 million more), respectively.

Premiums, BMC and Asset Volatility

	HMSA Post-65 Medical	HMSA Post-65 Rx	Kaiser Post-65	HMSA Pre-65 Medical	HMSA Pre-65 Rx	Kaiser Pre-65	BMC	Asset Return, Market Value	CPI
2017	5.7%	6.3%	4.2%	5.8%	12.5%	4.6%	10.0%	2.6%	1.0%
2018	4.6%	-24.5%	10.7%	4.6%	-18.5%	10.8%	0.0%	9.5%	1.6%
2019	1.3%	15.4%	1.4%	1.9%	7.3%	1.4%	1.1%	7.3%	2.9%
2020	9.2%	15.6%	-6.1%	9.1%	20.5%	-6.1%	6.7%	4.6%	1.6%
2021	2.0%	-1.1%	-1.4%	3.3%	-7.8%	-1.5%	2.7%	1.8%	0.6%
2022	-2.0%	2.2%	3.4%	-2.0%	0.9%	3.4%	14.5%	24.6%	5.4%
2023	-3.4%	5.6%	-6.0%	-4.3%	4.2%	-6.0%	-3.1%	-1.9%	9.1%
7-year average	2.4%	1.9%	0.7%	2.5%	2.0%	0.8%	4.4%	6.6%	3.2%

Premium increases were less than expected for all medical plans, resulting in an actuarial gain on the liabilities (liabilities growing slower than expected). This gain was compounded by the 3.1% decrease to BMC amounts, which mirrors the 3.1% Medicare 2023 Part B premium decrease.



Recent Positive Results

- For the 7/1/20, 7/1/21 and 7/1/22 annual actuarial valuations, there were actuarial gains for the COM of \$37.2 million, \$33.6 million and \$73.5 million, respectively, primarily related to lower than expected premiums.
- Change from 7/1/21 to 7/1/22 annual actuarial valuations, full funding achieved FY31 instead of FY37 and lower ARC payments of \$220.4 million over a 20-year period.

Key Actuarial Measurements July 1, 2022

(\$ millions)	State of Hawaii	Honolulu w/ HART	County of Hawaii	County of Maui	County of Kauai	Kauai DOW	Honolulu BWS	Hawaii DWS
AAL	\$ 10,908	\$ 2,373	\$571	\$577	\$274	\$19	\$150	\$35
<u>AVA</u>	<u>3,821</u>	<u>1,069</u>	<u>288</u>	<u>417</u>	<u>195</u>	<u>14</u>	<u>115</u>	<u>26</u>
UAAL	\$ 7,087	\$ 1,304	\$283	\$160	\$79	\$4	\$35	\$9
Funded Ratio								
7/1/2019	16.1%	23.8%	30.7%	46.0%	48.1%	54.1%	53.9%	54.5%
7/1/2020	21.0%	29.4%	36.4%	52.5%	53.4%	59.8%	58.8%	60.4%
7/1/2021	30.0%	36.0%	42.2%	60.2%	60.2%	66.4%	65.1%	63.5%
7/1/2022	35.0%	45.1%	50.4%	72.2%	71.2%	77.2%	76.5%	74.7%
ARC as a % of Payroll								
FYE24	22.2%	25.4%	22.5%	18.9%	18.8%	14.6%	19.0%	17.5%
FYE25	23.2%	26.4%	22.6%	19.6%	19.3%	15.9%	19.8%	18.9%
Normal Cost as a % of Payroll								
FYE25	6.9%	6.7%	6.3%	6.9%	7.1%	6.6%	6.4%	7.2%

- AAL – actuarial accrued liability
- AVA – actuarial value of assets
- UAAL – unfunded AAL

Projection of Funding Progress

Fiscal Year Ending	Payroll	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded AAL (UAAL)	Funded Ratio	Annual Required Contribution	Actual Contribution	Contribution as % of Payroll	Benefit Payment Total	Benefits as % of Payroll	ARC minus Benefit Payments
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
2023	\$182,724,000	\$577,215,000	\$416,815,000	\$160,400,000	72.2%	\$38,344,000	\$38,344,000	21.0%	\$22,555,000	12.3%	\$15,789,000
2024	188,206,000	606,593,000	462,286,000	144,307,000	76.2%	38,399,000	38,399,000	20.4%	23,712,000	12.6%	14,687,000
2025	193,852,000	637,201,000	509,798,000	127,403,000	80.0%	38,085,000	38,085,000	19.6%	25,535,000	13.2%	12,550,000
2026	199,668,000	668,446,000	558,424,000	110,022,000	83.5%	38,466,000	38,466,000	19.3%	27,394,000	13.7%	11,072,000
2027	205,658,000	700,047,000	608,924,000	91,123,000	87.0%	38,851,000	38,851,000	18.9%	29,451,000	14.3%	9,400,000
2028	211,827,000	732,086,000	661,228,000	70,858,000	90.3%	39,240,000	39,240,000	18.5%	31,580,000	14.9%	7,660,000
2029	218,182,000	764,558,000	715,392,000	49,166,000	93.6%	39,632,000	39,632,000	18.2%	33,883,000	15.5%	5,749,000
2030	224,728,000	797,354,000	771,370,000	25,984,000	96.7%	40,028,000	40,028,000	17.8%	36,250,000	16.1%	3,778,000
2031	231,470,000	830,461,000	829,226,000	1,235,000	99.9%	40,428,000	40,428,000	17.5%	38,626,000	16.7%	1,802,000
2032	238,414,000	889,087,000	889,087,000	0	100.0%	40,832,000	40,832,000	17.1%	41,026,000	17.2%	(194,000)
2033	245,566,000	951,071,000	951,071,000	0	100.0%	15,891,000	15,891,000	6.5%	43,550,000	17.7%	(27,659,000)
2034	252,933,000	988,982,000	988,982,000	0	100.0%	16,488,000	16,488,000	6.5%	45,924,000	18.2%	(29,436,000)
2035	260,521,000	1,027,709,000	1,027,709,000	0	100.0%	17,124,000	17,124,000	6.6%	48,161,000	18.5%	(31,037,000)
2036	268,337,000	1,067,488,000	1,067,488,000	0	100.0%	17,795,000	17,795,000	6.6%	50,470,000	18.8%	(32,675,000)
2037	276,387,000	1,108,355,000	1,108,355,000	0	100.0%	18,509,000	18,509,000	6.7%	52,843,000	19.1%	(34,334,000)
2038	284,678,000	1,150,366,000	1,150,366,000	0	100.0%	19,264,000	19,264,000	6.8%	55,475,000	19.5%	(36,211,000)
2039	293,219,000	1,193,373,000	1,193,373,000	0	100.0%	20,045,000	20,045,000	6.8%	58,222,000	19.9%	(38,177,000)
2040	302,015,000	1,237,356,000	1,237,356,000	0	100.0%	20,861,000	20,861,000	6.9%	60,878,000	20.2%	(40,017,000)
2041	311,076,000	1,282,513,000	1,282,513,000	0	100.0%	21,714,000	21,714,000	7.0%	63,458,000	20.4%	(41,744,000)
2042	320,408,000	1,329,042,000	1,329,042,000	0	100.0%	22,598,000	22,598,000	7.1%	66,077,000	20.6%	(43,479,000)
2043	330,020,000	1,377,031,000	1,377,031,000	0	100.0%	23,524,000	23,524,000	7.1%	68,795,000	20.8%	(45,271,000)
2044	339,921,000	1,426,523,000	1,426,523,000	0	100.0%	24,498,000	24,498,000	7.2%	71,399,000	21.0%	(46,901,000)
2045	350,119,000	1,477,793,000	1,477,793,000	0	100.0%	25,518,000	25,518,000	7.3%	74,009,000	21.1%	(48,491,000)
2046	360,622,000	1,531,003,000	1,531,003,000	0	100.0%	26,590,000	26,590,000	7.4%	76,819,000	21.3%	(50,229,000)
2047	371,441,000	1,586,139,000	1,586,139,000	0	100.0%	27,713,000	27,713,000	7.5%	79,647,000	21.4%	(51,934,000)
2048	382,584,000	1,643,369,000	1,643,369,000	0	100.0%	28,877,000	28,877,000	7.5%	82,403,000	21.5%	(53,526,000)
2049	394,061,000	1,702,956,000	1,702,956,000	0	100.0%	30,084,000	30,084,000	7.6%	85,250,000	21.6%	(55,166,000)
2050	405,883,000	1,765,014,000	1,765,014,000	0	100.0%	31,341,000	31,341,000	7.7%	88,168,000	21.7%	(56,827,000)
2051	418,060,000	1,829,696,000	1,829,696,000	0	100.0%	32,648,000	32,648,000	7.8%	91,155,000	21.8%	(58,507,000)
2052	430,602,000	1,897,165,000	1,897,165,000	0	100.0%	34,008,000	34,008,000	7.9%	94,212,000	21.9%	(60,204,000)
2053	443,520,000	1,967,599,000	1,967,599,000	0	100.0%	35,431,000	35,431,000	8.0%	97,425,000	22.0%	(61,994,000)
2054	456,825,000	2,041,110,000	2,041,110,000	0	100.0%	36,923,000	36,923,000	8.1%	100,661,000	22.0%	(63,738,000)
2055	470,530,000	2,117,959,000	2,117,959,000	0	100.0%	38,478,000	38,478,000	8.2%	103,963,000	22.1%	(65,485,000)
2056	484,646,000	2,198,377,000	2,198,377,000	0	100.0%	40,103,000	40,103,000	8.3%	107,349,000	22.1%	(67,246,000)

The projection includes liabilities for future employees.



Ways to address the UAAL - Assets

- Achieve higher returns than the 7% hurdle rate within prudent levels of risk
- Act 30, SLH 2016 – expanded the EUTF's permissible investments to include all asset classes of the ERS including private equity, real estate and credit; and options and futures
- Investment office of three staff (new position added in FY2022) works with investment consultants, Meketa and Callan, to manage the investment portfolio.
- Additional payments by the State are invested immediately with the benefits going only to the State.



Retiree Benefits and OPEB

OPEB Investment Returns

▪ Investment hurdle:	7.0%	
▪ Historical net returns	EUTF (net)	Median (gross)
1. 07/01/11 – 06/30/12:	5.9%	1.1%
2. 07/01/12 – 06/30/13:	9.3	12.1
3. 07/01/13 – 06/30/14:	15.3	16.9
4. 07/01/14 – 06/30/15:	3.1	3.4
5. 07/01/15 – 06/30/16:	2.6	0.5
6. 07/01/16 – 06/30/17:	9.5	12.7
7. 07/01/17 – 06/30/18:	7.4	8.7
8. 07/01/18 – 06/30/19:	4.1	5.9
9. 07/01/19 – 06/30/20:	1.8	1.2
10. 07/01/20 – 06/30/21:	27.7	26.7
11. 07/01/21 – 06/30/22:	-1.8	-7.4
07/01/11 – 06/30/22:	7.4	7.5



Retiree Benefits and OPEB

OPEB Assets (Continued)

Strategy	Investment Vehicle	6/30/22	LT Target
Aggressive Growth			
Private Equity/Non-Core RE	Active partnerships	9%	15%
U.S. Microcap	Active separate accounts	6	3
Traditional Growth			
U.S. Equity	Passive commingled	16	16.5
Non-U.S. Equity	Passive commingled	12	11
U.S. REITS	Passive separate account	1	0
Stabilized Growth			
Global Options	Active separate accounts	8	0
Core Real Assets	Active partnerships	10	12
Private Credit	Active partnerships	6	10
Diversifying			
TIPS	Active commingled	5	5
U.S. Treasuries	Passive separate	5	5.5
Alternative Risk Premia	Active separate accounts	5	5
Trend Following	Active separate/commingled	11	10
Reinsurance	Active separate	6	5
Tail Risk/Long Volatility	Search being conducted	0	2



Measures Taken Over the Past 5-10 Years to Address the AAL

1. Management of medical and prescription drug claims trend and premiums – member education (e.g. emergency room utilization, generic and mail order prescription drug usage, advance care directives) and HMSA payment transformation and new benefits (e.g. palliative care program). Utilization management programs on the non-Medicare retiree prescription drug plan.
2. Maximize Medicare program subsidies – increased subsidies under the EGWP plan (2013 and 2019) and added a low premium Medicare Advantage medical plan.
3. Claims audits – auditing all plan years since our current pharmacy benefit manager began providing service back to 2012 and also conducting periodic audits of the other benefit plans. These will continue.
4. Enrollment audits – removal of ineligible people and timely termination of Medicare Part B reimbursements (e.g. ineligible adult children, ex-spouses, surviving spouses who remarry, unreported deaths, non-payment of Medicare Part B premiums). New audits being developed – verification of retiree status and category, and dependent verification.



Limitations on Measures to Address the AAL

1. Dannenberg lawsuit – Hawaii Supreme Court ruled that accrued retiree health benefits are protected by the State Constitution. Significant restrictions on changes to the current retiree health benefit for retirees; vested, terminated employees; and current employees.
2. Current benefit has been reduced by 50% (combined impact of the 1996 and 2001 changes). Normal cost is approximately 7% of pay.



1. EUTF Board to determine the salary of the Administrator and Chief Investment Officer. Currently there is no clear language in HRS 87A that the Board determines the salary of the Administrator. This proposed bill will clearly state, similar to HRS 88-29 for the ERS, “that salaries of the administrator and chief investment officer shall be set by the board.” HB1015/SB1313
2. Elimination of Part B reimbursements for spouses of new hires (HB2103/SB3071 from the 2022 Legislative session). Actuaries estimated a reduction in the State’s ARC by \$1.2 billion over the next 30 years. HB1016/SB1314
3. Elimination of reimbursement of Medicare Part B income-related monthly adjustment amounts (IRMAA) for new hires and their spouses (HB2102/SB3070 from 2022 Legislative session). Estimated reduction in the State’s ARC of \$430 million (approximately 25% related to spouses) over the next 30 years. HB1017/SB1315



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Elimination of reimbursement of Medicare Part B IRMAA for new hires and their spouses. Estimated reduction in the State's ARC of \$430 million (approximately 25% related to spouses) over the next 30 years.

Beneficiaries who file individual tax returns with income	Beneficiaries who file joint tax returns with income	Retirees	Spouses	2023
Less than or equal to \$97,000	Less than or equal to \$194,000			\$164.90
Greater than \$97,000 and less than or equal to \$123,000	Greater than \$194,000 and less than or equal to \$246,000	1,562	538	\$230.80
Greater than \$123,000 and less than or equal to \$153,000	Greater than \$246,000 and less than or equal to \$306,000	927	286	\$329.70
Greater than \$153,000 and less than or equal to \$183,000	Greater than \$306,000 and less than or equal to \$366,000	426	141	\$428.60
Greater than \$183,000 and less than \$500,000	Greater than \$366,000 and less than \$750,000	613	239	\$527.50
Greater than or equal to \$500,000	Greater than or equal to \$750,000	55	30	\$560.50

IRMAA Est. for CY2022

- Retirees (2,909 or 8.6%) – \$7.6 million
- Spouses (1,024 or 8.9%) – \$2.7 million



Enrollment Trends

Active Enrollment – Medical & Drug (EUTF)

Medical, Chiro and Rx	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20	7/1/21	11/22	11/22 Counts	7/1/16 Self EE Monthly	7/1/17 Self EE Monthly	7/1/22 Self EE Monthly
EUTF Plans											
H - HMO	5%	3%	3%	2%	2%	2%	2%	771	\$387	\$443	\$487
H - 90/10	13	10	9	8	7	6	6	2,698	312	345	484
K - Comp	14	13	12	11	10	10	9	4,329	211	247	328
H - 80/20	49	36	33	29	27	26	24	11,643	215	234	289
K – Stan.	12	14	15	17	18	18	19	8,904	66	59	74
H - 75/25	5	22	27	31	34	37	39	18,603	142	54	69
Supp.	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	621	17	17	13
Total EE	45,586	45,540	46,902	47,737	48,374	47,776	47,569				
Change	1.1%	-0.1%	3.0%	1.8%	1.3%	-0.1%	-0.4%				



Enrollment Trends

Active Enrollment – Medical & Drug (HSTA VB and Totals)

Medical, Chiro, Vision and Rx	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20	7/1/21	11/22	11/22 Counts	7/1/21 Self EE Monthly	7/1/22 Self EE Monthly
HSTA VB Plans										
H - 90/10	29%	28%	27%	26%	26%	26%	26%	966	\$357	\$354
K - Comp	18	19	20	20	20	20	20	756	252	285
H - 80/20	<u>53</u>	<u>53</u>	<u>54</u>	<u>54</u>	<u>54</u>	<u>54</u>	<u>54</u>	2,011	252	253
Total EE	6,258	5,251	4,822	4,409	4,117	3,733	3,357			
Change	-6.8%	-16.1%	-8.2%	-8.6%	-6.6%	-9.3%	-10.1%			
All Plans										
Total EE	51,844	50,791	51,274	52,146	52,491	51,509	50,926			
Change	0.05%	-2.0%	1.8%	0.8%	0.7%	-1.9%	-1.1%			

Active Enrollment – Medical & Drug (COM)

Medical, Chiro and Prescription Drug	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20	11/22	EUTF 11/22
HMSA HMO	3%	2%	2%	1%	1%	1%	2%
HMSA 90/10	9	7	6	5	4	3	6
HMSA 80/20	38	25	21	20	18	16	24
Kaiser Comp	27	23	20	19	17	14	9
Kaiser Standard	19	25	28	30	32	35	19
HMSA 75/25	3	18	22	24	27	30	39
Supplemental	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	1
Total Maui County	2,000	2,025	2,034	2,031	2,051	2,030	
Percentage Change	-1.7%	1.3%	0.4%	-0.1%	1.0%	1.0%	



Enrollment Trends

Retiree Enrollment – Medical & Drug (EUTF)

Medical	1/1/20	1/1/21	1/1/21	1/1/22	1/1/22	1/1/23	1/1/22 - Self Med & Rx	1/1/23 - Self Med & Rx
EUTF Medicare								
HMSA 90/10	83%	83%	83%	83%	83%	83%	\$481	\$473
Kaiser Sr. Adva.	17	17	17	17	17	17	469	441
Humana Advantage	<u>NA</u>	<u>0.07</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	267	283
Total Subscribers	38,166	39,015	39,838	40,019	40,019	40,993		
Percentage Change	4.2%	2.2%	2.1%	0.4%	0.4%	2.4%		
EUTF Non-Medicare								
HMSA 90/10	84%	83%	83%	83%	83%	83%	804	760
Kaiser Comp	<u>16</u>	<u>17</u>	<u>17</u>	17	17	17	774	728
Total Subscribers	6,670	6,640	6,601	6,610	6,610	6,602		
Percentage Change	-12.7%	-0.4%	-0.6%	0.1%	0.1%	0.0%		
All EUTF								
Total Subscribers	44,836	45,655	46,439	46,629	46,629	47,595		
Percentage Change	1.4%	1.8%	1.7%	0.4%	0.4%	2.1%		

Retiree Enrollment – Medical & Drug (Maui)

Medical	1/1/17	1/1/18	1/1/19	1/1/20	1/1/21	1/1/23	EUTF 1/1/23
Maui Medicare							
HMSA 90/10	67%	67%	68%	66%	66%	65%	83%
Kaiser Sr. Advantage	33	33	32	34	34	35	17
UHC Advantage	<u>0.4</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	NA
Total Subscribers	989	1,012	1,063	1,092	1,156	1,253	
Percentage Change	3.9%	2.3%	5.0%	2.7%	5.9%	4.1%	
Maui Non-Medicare							
HMSA 90/10	66%	67%	68%	66%	65%	66%	83%
Kaiser Comp	<u>34</u>	<u>33</u>	<u>32</u>	<u>34</u>	<u>35</u>	<u>34</u>	<u>17</u>
Total Subscribers	392	384	398	433	457	459	
Percentage Change	2.1%	-2.3%	3.6%	8.8%	5.5%	0%	
All Maui							
Total Subscribers	1,381	1,396	1,461	1,525	1,613	1,712	
Percentage Change	3.4%	1.0%	4.7%	4.4%	5.8%	3.0%	

Maui County Annual Costs (in millions)

Retirees	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22
Medical and drug	\$11.6	\$12.9	\$13.8	\$14.5	\$16.1	\$17.0	\$17.4
Medical and drug increase	11.7%	11.2%	7.0%	5.1%	11.0%	5.6%	1.8%
Dental	0.8	0.9	1.0	1.1	1.1	1.2	1.3
Vision	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Life	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Maui County premiums	12.6	14.0	15.0	15.8	17.4	18.4	18.9
Retiree costs	0.1	0.1	0.2	0.2	0.3	0.3	0.3
Medicare Part B reimburse	<u>1.6</u>	<u>1.8</u>	<u>1.9</u>	<u>2.3</u>	<u>2.4</u>	<u>2.7</u>	<u>3.1</u>
Total costs	\$14.3	\$15.9	\$17.1	\$18.3	\$20.1	\$21.4	\$22.3
Total increase	11.4%	11.2%	7.5%	7.0%	9.8%	6.5%	4.2%



Premium Trends

Active Premium Trends (EUTF)

EUTF Medical and Prescription Drug Plans	Premiums 1/1/12 excluding ACA and EUTF fees	Premiums 7/1/22 excluding ACA and EUTF fees	Annualized Growth (with drug)	Nat'l Trend
HMSA 90/10 medical	\$341.54	\$736.84	7.6% (7.6%*)	5.7%
HMSA 80/20 medical	325.90	541.60	5.0 (5.4*)	5.7
HMSA 75/25 medical (from 7/1/13)	307.38	343.68	1.2 (2.6*)	5.7
HMSA HMO medical	387.86	739.26	6.3 (6.5*)	5.6
Prescription drug	60.80	132.28*	7.7*	7.8
Kaiser Comp HMO medical & drug	430.72	761.90	w/drug 5.6	5.6 medical 7.8 Rx
Kaiser Standard HMO medical & drug (from 7/1/13)	323.92	472.70	w/drug 4.3	5.6 medical 7.8 Rx

* Amount represents and percentage utilizes the composite CVS self-funded prescription drug premiums for all EUTF self-funded prescription drug plans.

2022 Operations

1. Went live on a new benefits administration system (BAS) in May 2022. Experienced significant difficulties. We caught up in August and September on our backlog of enrollment forms and email responses. Continue to experience issues with the new BAS. Planning to pilot the self service function with COM and COK employees for the April 2023 active employee open enrollment.
2. Kaiser Permanente mental health worker strike. Board allowed members to change from Kaiser to HMSA (no other plan changes or any dependent changes allowed) through an appeal if they are experiencing issues with access to mental and behavioral health issues through the earlier of the end of the strike (February 21) or June 30, 2023.
3. 15 staff (out of 61 positions) continue to telework under the DHRD Telework Policy. Reduced leased area by 20% and rent and CAM by \$100,000 annually from July 1, 2021.

MAHALO



BFED Committee

From: Mizuno, Derek M <derek.m.mizuno@hawaii.gov>
Sent: Wednesday, March 1, 2023 3:10 PM
To: BFED Committee
Subject: 03/07/23 Budget, Finance and Economic Development Committee meeting
Attachments: 23.03 EUTF County of Maui presentation FINAL.pdf

You don't often get email from derek.m.mizuno@hawaii.gov. [Learn why this is important](#)

Please find attached the EUTF presentation.

Thanks,

Derek Mizuno
EUTF
(808)586-1681

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