

NEIL ABERCROMBIE  
GOVERNOR



**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**  
P.O. BOX 2121  
HONOLULU, HAWAII 96805-2121  
Oahu (808) 586-7390  
Toll Free 1(800) 295-0089  
www.eutf.hawaii.gov

**BOARD OF TRUSTEES**  
DEAN K. HIRATA, *CHAIRPERSON*  
LORETTA FUDDY, *VICE-CHAIRPERSON*  
GEORGE KAHOOHANOHANO, *SECRETARY-TREASURER*  
AUDREY HIDANO  
EVERETT KANESHIGE  
DEREK MIZUNO  
KAROLYN MOSSMAN  
CELESTE Y.K. NIP  
SUNSHINE P.W. TOPPING  
CLIFFORD UWAINÉ

**ADMINISTRATOR**  
BARBARA CORIELL

May 3, 2011

**ADDENDUM 6**  
**TO**  
**REQUEST FOR PROPOSALS**  
**No. 11-01**

**TO FURNISH MEDICAL BENEFITS**

Attached are the following:

1. HSTA Active and Retiree Claims Experience for the Period July 1, 2008 – June 30, 2009 (see Attachment 1 – 17 pages).
2. HSTA Active and Retiree Claims Experience for the Period July, 1, 2007 – June 30, 2008 (see Attachment 2 – 24 pages).
3. HSTA Active and Retiree Claims Experience for the Period July 1, 2006 – June 30, 2007 (see Attachment 3 – 26 pages).

**INTERIM ACCOUNTING****HAWAII STATE TEACHERS ASSOCIATION  
SELF-FUNDED EXPERIENCE SUMMARY (PPP PLAN)****Primary  
Self-Funded  
Plans****FOR THE PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009****ACTIVES***Updated with 4 months of  
actual IBNR and an estimate  
for the remaining 8 months*

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Premiums Collected</b>	<b>\$42,793,672</b>	<b>\$12,749,316</b>	<b>\$55,542,987</b>
Claims Incurred & Paid	\$41,114,089	\$11,686,516	\$52,800,606
Actual IBNR (paid 7/09 - 10/09)	4,104,966	396,841	4,501,807
Est. IBNR (11/09 - 6/10) <sup>1</sup>	624,000	17,000	641,000
<b>Total Incurred Claims</b>	<b>\$45,843,056</b>	<b>\$12,100,357</b>	<b>\$57,943,413</b>
HMSA Retention	\$1,918,733	\$542,015	\$2,460,748
Est. Drug Rebate Credit <sup>2</sup>	n/a	(828,055)	(828,055)
Case Management	2,940	n/a	2,940
<b>Total Est. Expenses</b>	<b>\$47,764,729</b>	<b>\$11,814,317</b>	<b>\$59,579,046</b>
<b>Est. Surplus/(Deficit)</b>	<b>(\$4,971,057)</b>	<b>\$934,999</b>	<b><u>(\$4,036,059)</u></b>
<b>Est. % Surplus/(Deficit)</b>	<b>-11.6%</b>	<b>7.3%</b>	<b><u>-7.3%</u></b>

**Average # Subscribers  
Per Month**

<b>Actual</b>	<b>9,026</b>	<b>9,026</b>
---------------	--------------	--------------

**See Exhibit 1 for calculation of premiums collected.**  
**See Exhibit 2 for claims incurred & paid and retention.**  
**See Exhibit 3 for IBNR claims runout.**

<sup>1</sup> Based on total IBNR of 11.5% of incurred & paid for medical, and 3.5% for drug (9.7% combined).

<sup>2</sup> Based on HMSA's estimate (6.8% of estimated claims incurred).

**HSTA VEBA TRUST  
MONTHLY ENROLLMENT \***

**Exhibit 1  
(page 1 of 2)**

**07/08 - 06/09**

**PREMIUMS COLLECTED  
(MEDICAL)**

**ACTIVES - Primary**

<b>Rates:</b>	<u>Single</u>	<u>Family</u>
<b>Medical</b>	<b>\$194.72</b>	<b>\$617.09</b>
<b>Drug</b>	<b>58.00</b>	<b>183.86</b>
<b>Vision</b>	5.75	13.55
<b>Chiropractic</b>	<u>1.05</u>	<u>2.52</u>
<b>Total</b>	<u>\$259.52</u>	<u>\$817.02</u>
Employer (CBA)	\$155.71	\$490.21
Employee Share	\$103.81	\$326.81

Month	<b>SELF-FUNDED MEDICAL ENROLLMENT</b>		
	Single	Family	Total
07/08	4,702	4,277	8,979
08/08	4,583	4,180	8,763
09/08	4,738	4,261	8,999
10/08	4,762	4,256	9,018
11/08	4,829	4,288	9,117
12/08	4,797	4,313	9,110
01/09	4,774	4,293	9,067
02/09	4,713	4,263	8,976
03/09	4,832	4,330	9,162
04/09	4,760	4,297	9,057
05/09	4,726	4,317	9,043
06/09	4,703	4,312	9,015
<b>Total</b>	56,919	51,387	108,306
<b>Average</b>	4,743	4,282	9,026

**Medical Rate      x \$194.72                      x \$617.09**

<b>Total Medical</b>	\$11,083,267.68	\$31,710,403.83	<b>\$42,793,671.51</b>
----------------------	-----------------	-----------------	------------------------

\* Based on validated enrollment for the period 7/08-6/09 from TPA, including retros.  
Also includes COBRA enrollment based on HMSA's report.

**HSTA VEBA TRUST  
MONTHLY ENROLLMENT \***

**Exhibit 1  
(page 2 of 2)**

**07/08 - 06/09**

**PREMIUMS COLLECTED  
(DRUG)**

**ACTIVES - Primary**

Month	<b>SELF-FUNDED DRUG ENROLLMENT</b>		
	Single	Family	Total
07/08	4,702	4,277	8,979
08/08	4,583	4,180	8,763
09/08	4,738	4,261	8,999
10/08	4,762	4,256	9,018
11/08	4,829	4,288	9,117
12/08	4,797	4,313	9,110
01/09	4,774	4,293	9,067
02/09	4,713	4,263	8,976
03/09	4,832	4,330	9,162
04/09	4,760	4,297	9,057
05/09	4,726	4,317	9,043
06/09	4,703	4,312	9,015
<b>Total</b>	<b>56,919</b>	<b>51,387</b>	<b>108,306</b>
<b>Average</b>	<b>4,743</b>	<b>4,282</b>	<b>9,026</b>

**Drug Rate**                      **x \$58.00**                      **x \$183.86**

<b>Total Drug</b>	<b>\$3,301,302.00</b>	<b>\$9,448,013.82</b>	<b>\$12,749,315.82</b>
-------------------	-----------------------	-----------------------	------------------------

\* Based on validated enrollment for the period 7/08-6/09 from TPA, including retros.  
Also includes COBRA enrollment based on HMSA's report.

**HAWAII STATE TEACHERS ASSOCIATION**  
**SELF-FUNDED PLAN**  
**STATEMENT OF BENEFITS (INCURRED AND PAID)**  
**FOR THE PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009**

**ACTIVES**  
**(Primary)**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/08	\$ 1,951,735	\$ 657,639	\$ 2,609,373
08/08	2,781,453	830,806	3,612,259
09/08	3,203,971	1,034,702	4,238,673
10/08	4,033,727	907,129	4,940,856
11/08	3,804,086	892,072	4,696,157
12/08	3,108,982	1,138,364	4,247,347
01/09	3,660,618	930,145	4,590,763
02/09	2,916,324	963,800	3,880,124
03/09	3,663,825	1,145,696	4,809,520
04/09	4,127,231	1,025,879	5,153,110
05/09	4,331,378	980,541	5,311,919
06/09	3,530,759	1,179,745	4,710,503
<b>Total</b>	<b>\$ 41,114,089</b>	<b>\$ 11,686,516</b>	<b>\$ 52,800,606</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

<b>HMSA RETENTION</b>			
07/08	\$ 159,052	\$ 44,930	\$ 203,982
08/08	159,070	44,935	204,005
09/08	160,043	45,210	205,253
10/08	160,451	45,325	205,776
11/08	160,468	45,330	205,798
12/08	160,504	45,340	205,844
01/09	159,689	45,110	204,799
02/09	159,866	45,160	205,026
03/09	159,866	45,160	205,026
04/09	160,061	45,215	205,276
05/09	159,937	45,180	205,117
06/09	159,725	45,120	204,845
<b>Total</b>	<b>\$ 1,918,733</b>	<b>\$ 542,015</b>	<b>\$ 2,460,748</b>

**HAWAII STATE TEACHERS ASSOCIATION**

**ACTUAL INTERIM IBNR**

**Primary Plan  
Actives  
(all benefits)**

**IBNR Runout for  
Contract Year 7/08 - 6/09**

<u><i>Month Paid</i></u>	<u>Estimated IBNR for 07/08 - 06/09</u>	<u>Actual IBNR for 07/08 - 06/09</u>	
2009 July	\$3,564,700	\$3,525,241	
August	1,023,100	428,792	
September	217,100	368,894	
October	121,100	178,880	
November	85,000	<b>To Be Completed</b>	
December	29,000		
2010 January	23,600		
February	23,600		
March	21,300		
April	17,000		
May	11,800		
June	4,700		
<b>Total</b>	<b>\$5,142,000</b>		<b>\$4,501,806.69</b>

FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan (Actives)

For the Period: July 1, 2008 through June 30, 2009

Paid: July 1, 2008 through June 30, 2009

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MGMT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2008 July	\$1,951,734.76	\$657,638.71	\$585.00	\$203,982.20	\$2,813,940.67
August	\$2,781,452.97	\$830,806.17	\$255.00	\$204,004.90	\$3,816,519.04
September	\$3,203,971.45	\$1,034,701.63	\$435.00	\$205,253.40	\$4,444,361.48
October	\$4,033,727.00	\$907,129.02	\$420.00	\$205,775.50	\$5,147,051.52
November	\$3,804,085.75	\$892,071.69	\$45.00	\$205,798.20	\$4,902,000.64
December	\$3,108,982.47	\$1,138,364.15	\$195.00	\$205,843.60	\$4,453,385.22
2009 January	\$3,660,618.46	\$930,144.97	\$150.00	\$204,799.40	\$4,795,712.83
February	\$2,916,324.08	\$963,799.70	\$240.00	\$205,026.40	\$4,085,390.18
March	\$3,663,824.51	\$1,145,695.52	\$15.00	\$205,026.40	\$5,014,561.43
April	\$4,127,231.14	\$1,025,879.30	\$120.00	\$205,276.10	\$5,358,506.54
May	\$4,331,378.03	\$980,541.04	\$450.00	\$205,117.20	\$5,517,486.27
June	\$3,530,758.84	\$1,179,744.55	\$30.00	\$204,844.80	\$4,915,378.19
Total	<u>\$41,114,089.46</u>	<u>\$11,686,516.45</u>	<u>\$2,940.00</u>	<u>\$2,460,748.10</u>	<u>\$55,264,294.01</u>

PRIMARY PLAN (ACTIVES) SUMMARY

Total Benefits, Case Management and Retention	\$55,264,294.01
Estimated Drug Rebate for July 1, 2008 through June 30, 2009	(\$828,054.75)

\* \$17.70 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2008 through June 2009 period.

FURNISHED BY HMSA

Hawaii State Teachers Association-VEBA  
Primary Plan - Actives  
Statement of Benefit Usage by Period Incurred  
Benefits Paid July 1, 2009 through June 30, 2010

Benefits Incurred 7/08-6/09 and Paid 7/09 - 6/10:

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
Jul-09	\$3,119,953.91	\$405,286.71	\$3,525,240.62
Aug-09	\$429,178.98	(\$387.41)	\$428,791.57
Sep-09	\$375,226.14	(\$6,331.86)	\$368,894.28
Oct-09	\$180,607.04	(\$1,726.82)	\$178,880.22
Nov-09			
Dec-09			
Jan-10			
Feb-10			
Mar-10			
Apr-10			
May-10			
Jun-10			
	<hr/>	<hr/>	<hr/>
	\$4,104,966.07	\$396,840.62	\$4,501,806.69

# INTERIM ACCOUNTING

Retiree  
Self-Funded  
Plans

## HAWAII STATE TEACHERS ASSOCIATION SELF-FUNDED EXPERIENCE SUMMARY (PPP PLAN)

FOR THE PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009

**RETIREES**  
(includes Medicare Part D Rx)

Updated with 4 months of  
actual IBNR and an estimate  
for the remaining 8 months

	Medical	Drug <sup>1</sup>	Drug (EGWP) <sup>2</sup>	Total
<b>Premiums Collected</b>	<b>\$7,497,013</b>	<b>\$3,285,000</b>	<b>\$2,178,032</b>	<b>\$12,960,045</b>
Claims Incurred & Paid	\$7,848,286	\$2,696,312	\$1,932,990 <sup>3</sup>	\$12,477,588
Actual IBNR (7/09 - 10/09)	681,441	83,048		764,489
Est. IBNR (11/09 - 6/10) <sup>4</sup>	643,800	11,300	31,600	686,700
<b>Est. Total Incurred Claims</b>	<b>\$9,173,527</b>	<b>\$2,790,660</b>	<b>\$1,964,590</b>	<b>\$13,928,777</b>
HMSA Retention	\$370,231	\$68,265	\$22,620 <sup>5</sup>	\$461,116
Est. Drug Rebate Credit	n/a	(74,466) <sup>6</sup>	(28,000) <sup>7</sup>	(102,466)
Case Management	75	n/a	n/a	75
<b>Total Expenses</b>	<b>\$9,543,832</b>	<b>\$2,784,460</b>	<b>\$1,959,210</b>	<b>\$14,287,502</b>
<b>Surplus/(Deficit)</b>	<b>(\$2,046,819)</b>	<b>\$500,541</b>	<b>\$218,822</b>	<b><u>(\$1,327,457)</u></b>
<b>% Surplus/(Deficit)</b>	<b>-27.3%</b>	<b>15.2%</b>	<b>10.0%</b>	<b><u>-10.2%</u></b>
<b><u>Average # Subscribers</u></b>				
<b><u>Per Month</u></b>	<b>1,736</b>	<b>1,046</b>	<b>687</b>	

See Exhibit 1 for calculation of premiums collected.

See Exhibit 2 for claims incurred & paid and retention.

See Exhibit 3 for IBNR claims runoff.

<sup>1</sup> For non-medicare retirees or non-medicare dependents of medicare retirees.

<sup>2</sup> Effective January 1, 2009, the Medicare Part D drug plan was converted to a fully-insured EGWP drug plan.

<sup>3</sup> Includes the 2008 claims paid for 7/08 - 12/08 and insured premiums for 1/09 - 6/09.

<sup>4</sup> Based on total est. IBNR of 16.9% of incurred & paid for medical, and 3.5% for drug (13.8% combined).

<sup>5</sup> Retention for 7/08 - 12/08 only.

<sup>6</sup> Based on HMSA's estimate of 2.7% of estimated claims incurred.

<sup>7</sup> Based on estimate of 3.0% of claims paid for 7/08 - 12/08 EGWP cost.

**HAWAII STATE TEACHERS ASSOCIATION**

**SELF-FUNDED PLAN**

**Retirees**  
*(non-medicare)*

**STATEMENT OF BENEFITS (INCURRED AND PAID)**  
**FOR THE PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/08	\$ 194,393	\$ 143,818	\$ 338,211
08/08	476,745	193,755	670,500
09/08	505,249	244,945	750,194
10/08	644,327	226,617	870,943
11/08	504,040	211,901	715,941
12/08	508,919	279,604	788,523
01/09	621,921	203,077	824,998
02/09	545,678	238,031	783,709
03/09	499,300	249,805	749,105
04/09	688,126	225,332	913,458
05/09	764,217	228,401	992,618
06/09	631,797	251,028	882,825
<b>Total</b>	<b>\$ 6,584,712</b>	<b>\$ 2,696,312</b>	<b>\$ 9,281,025</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

<b>HMSA RETENTION</b>			
07/08	\$ 18,780	\$ 5,655	\$ 24,435
08/08	18,957	5,725	24,682
09/08	18,868	5,715	24,583
10/08	18,992	5,745	24,737
11/08	18,833	5,705	24,538
12/08	18,585	5,665	24,250
01/09	18,992	5,775	24,767
02/09	18,904	5,765	24,669
03/09	18,656	5,705	24,361
04/09	18,408	5,640	24,048
05/09	18,160	5,580	23,740
06/09	18,160	5,590	23,750
<b>Total</b>	<b>\$ 224,294</b>	<b>\$ 68,265</b>	<b>\$ 292,559</b>

**HSTA VEBT  
MONTHLY ENROLLMENT \*  
07/08 - 06/09**

**Exhibit 1  
(page 1 of 2)  
RETIREES  
(non-medicare)**

**Rates:**

	<u>Single</u>	<u>Family</u>
<b>Medical</b>	\$225.41	\$625.84
<b>Drug</b>	123.03	342.71
<b>Vision</b>	5.69	13.41
<b>Chiropractic</b>	1.05	2.52
<b>Total</b>	<u>\$355.18</u>	<u>\$984.48</u>

**SELF-FUNDED PLANS**

	MEDICAL		
	Single	Family	Total
Month			
07/08	365	636	1,001
08/08	408	678	1,086
09/08	397	656	1,053
10/08	440	674	1,114
11/08	397	664	1,061
12/08	408	675	1,083
01/09	402	650	1,052
02/09	416	672	1,088
03/09	386	641	1,027
04/09	384	649	1,033
05/09	380	635	1,015
06/09	415	646	1,061
Total	4,798	7,876	12,674
Average	400	656	1,056

**Medical**    x \$225.41    x \$625.84

**Total**    \$1,081,517    \$4,929,116    \$6,010,633

	DRUG		
	Single	Family	Total
Month			
07/08	365	636	1,001
08/08	408	678	1,086
09/08	397	656	1,053
10/08	440	674	1,114
11/08	397	664	1,061
12/08	408	675	1,083
01/09	402	648	1,050
02/09	416	670	1,086
03/09	386	639	1,025
04/09	383	647	1,030
05/09	379	633	1,012
06/09	414	644	1,058
Total	4,795	7,864	12,659
Average	400	655	1,055

**Drug**    x \$123.03    x \$342.71

**Total**    \$589,929    \$2,695,071    \$3,285,000

\* Based on validated enrollment for the period 7/08-6/09 from TPA, including retros. Also includes COBRA enrollment based on HMSA's report.

**HAWAII STATE TEACHERS ASSOCIATION**

**SELF-FUNDED PLAN**

**Retirees**  
*(medicare)*

**STATEMENT OF BENEFITS (INCURRED AND PAID)**

**FOR THE PERIOD: JULY 1, 2008 THROUGH JUNE 30, 2009**

	<u>Medical</u>	<u>Drug (EGWP) <sup>1</sup></u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/08	\$ 5,830	\$ 143,527	\$ 149,356
08/08	82,811	125,145	207,956
09/08	75,195	162,238	237,433
10/08	73,401	137,517	210,918
11/08	88,276	145,015	233,291
12/08	111,638	189,011	300,649
01/09	100,190	163,706	263,896
02/09	130,906	167,048	297,953
03/09	232,119	170,845	402,964
04/09	137,694	174,035	311,729
05/09	117,927	173,883	291,810
06/09	107,586	181,022	288,608
<b>Total</b>	<b>\$ 1,263,574</b>	<b>\$ 1,932,990</b>	<b>\$ 3,196,564</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

**HMSA RETENTION**

07/08	\$ 10,886	\$ 3,596	\$ 14,482
08/08	11,080	3,664	14,744
09/08	11,257	3,720	14,977
10/08	11,487	3,806	15,294
11/08	11,700	3,881	15,581
12/08	12,018	3,953	15,971
01/09	12,213		12,213
02/09	12,461		12,461
03/09	12,779		12,779
04/09	13,098		13,098
05/09	13,364		13,364
06/09	13,594		13,594
<b>Total</b>	<b>\$ 145,937</b>	<b>\$ 22,620</b>	<b>\$ 168,557</b>

<sup>1</sup> Includes the 2008 claims paid for 7/08 - 12/08 (\$902,452) and insured premiums for 1/09 - 6/09 (\$1,030,538).

**HSTA VEBT  
MONTHLY ENROLLMENT \*  
07/08 - 06/09**

**Exhibit 1  
(page 2 of 2)**

**RETIREES  
(medicare)**

**Rates:**

	<u>Single</u>	<u>Family</u>
<b>Medical</b>	<b>\$102.56</b>	<b>\$276.92</b>
<b>Drug</b>	<b>131.76</b>	<b>432.05</b>
<b>Vision</b>	5.69	13.41
<b>Chiropractic</b>	1.05	2.52
<b>Total</b>	<u><b>\$241.06</b></u>	<u><b>\$724.90</b></u>

Month	MEDICAL			DRUG (EGWP)		
	Single	Family	Total	Single	Family	Total
07/08	341	260	601	341	258	599
08/08	359	273	632	359	271	630
09/08	355	280	635	355	278	633
10/08	366	287	653	366	285	651
11/08	373	284	657	373	282	655
12/08	389	302	691	389	300	689
01/09	389	300	689	389	298	687
02/09	389	322	711	389	320	709
03/09	403	313	716	403	311	714
04/09	411	319	730	411	317	728
05/09	426	330	756	426	328	754
06/09	423	385	808	423	383	806
<b>Total</b>	<b>4,624</b>	<b>3,655</b>	<b>8,279</b>	<b>4,624</b>	<b>3,631</b>	<b>8,255</b>
<b>Average</b>	<b>385</b>	<b>305</b>	<b>690</b>	<b>385</b>	<b>303</b>	<b>688</b>

  

<b>Medical</b>	<b>x \$102.56</b>	<b>x \$276.92</b>	<b>Total</b>	<b>\$474,237</b>	<b>\$1,012,143</b>	<b>\$1,486,380</b>
<b>Drug</b>	<b>x \$131.76</b>	<b>x \$432.05</b>	<b>Total</b>	<b>\$609,258</b>	<b>\$1,568,774</b>	<b>\$2,178,032</b>

\* Based on validated enrollment for the period 7/07-6/08 from TPA, including retros.

**Exhibit 3**

**HAWAII STATE TEACHERS ASSOCIATION**

**ACTUAL INTERIM IBNR**

**Primary Plan  
Retirees  
(all benefits)**

**IBNR Runout for  
Contract Year 7/08 - 6/09**

<b><u>Month Paid</u></b>		<b><u>Estimated IBNR for 07/08 - 06/09</u></b>	<b><u>Actual IBNR for 07/08 - 06/09</u></b>	
2009	July	\$ 952,100	\$ 622,083	
	August	140,700	75,515	
	September	80,400	44,343	
	October	63,600	22,548	
	November	53,500	<b>To Be Completed</b>	
	December	46,600		
2010	January	33,100		
	February	23,200		
	March	13,200		
	April	6,700		
	May	4,000		
	June	2,600		
	<b>Total</b>	<b>\$ 1,419,700</b>		<b>\$764,488.65</b>

FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan (Retirees without Medicare)

For the Period: July 1, 2008 through June 30, 2009

Paid: July 1, 2008 through June 30, 2009

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MGMT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2008 July	\$194,393.33	\$128,795.99	\$0.00	\$23,414.70	\$346,604.02
August	\$476,744.79	\$173,184.89	\$0.00	\$23,626.70	\$673,556.38
September	\$505,249.14	\$212,463.92	\$0.00	\$23,513.20	\$741,226.26
October	\$644,326.51	\$204,002.81	\$75.00	\$23,642.10	\$872,046.42
November	\$504,039.88	\$186,577.86	\$0.00	\$23,422.80	\$714,040.54
December	\$508,919.35	\$241,476.70	\$0.00	\$23,115.00	\$773,511.05
2009 January	\$621,920.65	\$177,258.15	\$0.00	\$23,602.10	\$822,780.90
February	\$545,678.30	\$203,838.39	\$0.00	\$23,473.60	\$772,990.29
March	\$499,299.96	\$217,645.35	\$0.00	\$23,150.80	\$740,096.11
April	\$688,125.77	\$189,914.20	\$0.00	\$22,828.00	\$900,867.97
May	\$764,217.43	\$189,599.00	\$0.00	\$22,500.20	\$976,316.63
June	\$631,797.05	\$211,766.03	\$0.00	\$22,495.20	\$866,058.28
Total	<u>\$6,584,712.16</u>	<u>\$2,336,523.29</u>	<u>\$75.00</u>	<u>\$278,784.40</u>	<u>\$9,200,094.85</u>

PRIMARY PLAN RETIREES (WITHOUT MEDICARE) SUMMARY

Total Benefits, Case Management and Retention	\$9,200,094.85
Estimated Drug Rebate for July 1, 2008 through June 30, 2009	(\$64,768.00)

\* \$17.70 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2008 through June 2009 period.

FURNISHED BY HMSA

**Hawaii State Teachers Association-VEBA  
Primary Plan - Retirees Without Medicare  
Statement of Benefit Usage by Period Incurred  
Benefits Paid July 1, 2009 through June 30, 2010**

**Benefits Incurred 7/08-6/09 and Paid 7/09 - 6/10:**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
Jul-09	\$426,861.26	\$69,049.58	\$495,910.84
Aug-09	\$39,581.48	\$1,333.07	\$40,914.55
Sep-09	\$19,015.50	(\$344.74)	\$18,670.76
Oct-09	\$20,921.28	(\$306.47)	\$20,614.81
Nov-09			
Dec-09			
Jan-10			
Feb-10			
Mar-10			
Apr-10			
May-10			
Jun-10			
	<hr/>	<hr/>	<hr/>
	\$506,379.52	\$69,731.44	\$576,110.96

FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA  
 Annual Accounting Report  
 Primary Plan (Retirees with Medicare)  
 For the Period: July 1, 2008 through June 30, 2009  
 Paid: July 1, 2008 through June 30, 2009

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MGMT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2008 July	\$5,829.59	\$15,022.01	\$0.00	\$11,905.50	\$32,757.10
August	\$82,811.42	\$20,570.41	\$0.00	\$12,135.20	\$115,517.03
September	\$75,195.47	\$32,480.65	\$0.00	\$12,327.20	\$120,003.32
October	\$73,400.98	\$22,613.92	\$0.00	\$12,582.30	\$108,597.20
November	\$88,276.34	\$25,322.87	\$0.00	\$12,814.70	\$126,413.91
December	\$111,637.70	\$38,126.98	\$0.00	\$13,153.30	\$162,917.98
2009 January	\$100,189.75	\$25,818.98	\$0.00	\$13,378.00	\$139,386.73
February	\$130,905.54	\$34,192.55	\$0.00	\$13,655.80	\$178,753.89
March	\$232,119.01	\$32,159.68	\$0.00	\$13,989.40	\$278,268.09
April	\$137,694.37	\$35,417.97	\$0.00	\$14,318.00	\$187,430.34
May	\$117,927.24	\$38,801.53	\$0.00	\$14,603.50	\$171,332.27
June	\$107,586.33	\$39,261.65	\$0.00	\$14,848.60	\$161,696.58
<b>Total</b>	<u>\$1,263,573.74</u>	<u>\$359,789.20</u>	<u>\$0.00</u>	<u>\$159,711.50</u>	<u>\$1,783,074.44</u>

PRIMARY PLAN (RETIREEES WITH MEDICARE) SUMMARY

Total Benefits, Case Management and Retention	\$1,783,074.44
Estimated Drug Rebate for July 1, 2008 through June 30, 2009	(\$9,697.60)

\* \$17.70 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2008 through June 2009 period.

FURNISHED BY HMSA

**Hawaii State Teachers Association-VEBA  
 Primary Plan - Retirees With Medicare  
 Statement of Benefit Usage by Period Incurred  
 Benefits Paid July 1, 2009 through June 30, 2010**

**Benefits Incurred 7/08-6/09 and Paid 7/09 - 6/10:**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
Jul-09	\$112,805.06	\$13,367.05	\$126,172.11
Aug-09	\$34,685.70	(\$85.56)	\$34,600.14
Sep-09	\$25,637.34	\$34.94	\$25,672.28
Oct-09	\$1,933.16	\$0.00	\$1,933.16
Nov-09			
Dec-09			
Jan-10			
Feb-10			
Mar-10			
Apr-10			
May-10			
Jun-10			
	<hr/>	<hr/>	<hr/>
	\$175,061.26	\$13,316.43	\$188,377.69

## INTERIM ACCOUNTING

<b>Primary Self-Funded Plans</b>
--

### HAWAII STATE TEACHERS ASSOCIATION SELF-FUNDED EXPERIENCE SUMMARY (PPP PLAN)

<b>FOR THE PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008</b>
---

<b>ACTIVES</b>
----------------

<i>Updated with 4 months of actual IBNR and an estimate for the remaining 8 months</i>
--

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Premiums Collected</b>	<b>\$38,862,606</b>	<b>\$12,032,508</b>	<b>\$50,895,114</b>
Claims Incurred & Paid	\$37,550,420	\$10,772,772	\$48,323,192
Actual IBNR (paid 7/08-10/08)	3,833,680	376,643	4,210,323
Est. IBNR (11/08-6/09) <sup>1</sup>	442,000	3,400	445,400
<b>Total Incurred Claims</b>	<b>\$41,826,100</b>	<b>\$11,152,814</b>	<b>\$52,978,915</b>
HMSA Retention	\$1,802,548	\$539,685	\$2,342,233
Est. Drug Rebate Credit <sup>2</sup>	n/a	(\$673,521)	(\$673,521)
Case Management	\$5,950	n/a	\$5,950
<b>Total Est. Expenses</b>	<b>\$43,634,598</b>	<b>\$11,018,978</b>	<b>\$54,653,577</b>
<b>Est. Surplus/(Deficit)</b>	<b>(\$4,771,992)</b>	<b>\$1,013,529</b>	<b><u>(\$3,758,463)</u></b>
<b>Est. % Surplus/(Deficit)</b>	<b>-12.3%</b>	<b>8.4%</b>	<b><u>-7.4%</u></b>
<b><u>Average # Subscribers</u></b>			
<b><u>Per Month</u></b>			
<b>Actual</b>	<b>8,995</b>	<b>8,995</b>	

**See Exhibit 1 for calculation of premiums collected.**  
**See Exhibit 2 for claims incurred & paid and retention.**  
**See Exhibit 3 for IBNR claims runout.**

<sup>1</sup> Based on total IBNR of 11.4% of incurred & paid for medical, and 3.5% for drug (9.6% combined).

<sup>2</sup> Based on HMSA's estimate (6.0% of estimated claims incurred and paid).

HSTA VEBA TRUST  
MONTHLY ENROLLMENT

Exhibit 1  
(page 1 of 2)

07/07 - 06/08

PREMIUMS COLLECTED  
(MEDICAL)

ACTIVES - Primary

<b>Rates:</b>	<u>Single</u>	<u>Family</u>
<b>Medical</b>	\$178.65	\$566.32
<b>Drug</b>	55.35	175.30
Vision	5.75	13.55
Chiropractic	1.00	2.40
<b>Total</b>	<u>\$240.75</u>	<u>\$757.57</u>
Employer (CBA)	\$144.45	\$454.54
Employee Share	\$96.30	\$303.03

Month	SELF-FUNDED MEDICAL ENROLLMENT		
	Single	Family	Total
07/07	4,621	4,194	8,815
08/07	4,686	4,167	8,853
09/07	4,842	4,195	9,037
10/07	4,847	4,198	9,045
11/07	4,836	4,207	9,043
12/07	4,827	4,218	9,045
01/08	4,811	4,201	9,012
02/08	4,812	4,206	9,018
03/08	4,803	4,205	9,008
04/08	4,792	4,231	9,023
05/08	4,783	4,242	9,025
06/08	4,771	4,242	9,013
<b>Total</b>	<b>57,431</b>	<b>50,506</b>	<b>107,937</b>
<b>Average</b>	<b>4,786</b>	<b>4,209</b>	<b>8,995</b>

**Medical Rate**      **x \$178.65**              **x \$566.32**

<b>Total Medical</b>	<b>\$10,260,048.15</b>	<b>\$28,602,557.92</b>	<b>\$38,862,606.07</b>
----------------------	------------------------	------------------------	------------------------

HSTA VEBA TRUST  
MONTHLY ENROLLMENT

Exhibit 1  
(page 2 of 2)

07/07 - 06/08

PREMIUMS COLLECTED  
(DRUG)

*ACTIVES - Primary*

Month	SELF-FUNDED DRUG ENROLLMENT		
	Single	Family	Total
07/07	4,621	4,194	8,815
08/07	4,686	4,167	8,853
09/07	4,842	4,195	9,037
10/07	4,847	4,198	9,045
11/07	4,836	4,207	9,043
12/07	4,827	4,218	9,045
01/08	4,811	4,201	9,012
02/08	4,812	4,206	9,018
03/08	4,803	4,205	9,008
04/08	4,792	4,231	9,023
05/08	4,783	4,242	9,025
06/08	4,771	4,242	9,013
Total	57,431	50,506	107,937
Average	4,786	4,209	8,995

Drug Rate            x \$55.35            x \$175.30

<b>Total Drug</b>	<b>\$3,178,805.85</b>	<b>\$8,853,701.80</b>	<b>\$12,032,507.65</b>
-------------------	-----------------------	-----------------------	------------------------

**HAWAII STATE TEACHERS ASSOCIATION  
SELF-FUNDED PLAN**

**STATEMENT OF BENEFITS (INCURRED AND PAID)**

**FOR THE PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008**

**ACTIVES  
(Primary)**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/07	\$ 1,133,949	\$ 604,233	\$ 1,738,182
08/07	2,940,627	792,341	3,732,968
09/07	2,720,206	799,040	3,519,246
10/07	3,806,297	987,133	4,793,431
11/07	3,115,824	837,810	3,953,634
12/07	3,087,333	923,460	4,010,793
01/08	3,492,414	1,043,773	4,536,187
02/08	3,209,626	927,987	4,137,613
03/08	3,161,215	937,599	4,098,814
04/08	3,596,821	1,029,675	4,626,496
05/08	3,834,423	912,744	4,747,167
06/08	3,451,685	976,978	4,428,662
<b>Total</b>	<b>\$ 37,550,420</b>	<b>\$ 10,772,772</b>	<b>\$ 48,323,192</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

<b>HMSA RETENTION</b>			
07/07	\$ 147,211	\$ 44,075	\$ 191,286
08/07	147,845	44,265	192,110
09/07	150,918	45,185	196,103
10/07	151,052	45,225	196,277
11/07	151,018	45,215	196,233
12/07	151,052	45,225	196,277
01/08	150,500	45,060	195,560
02/08	150,601	45,090	195,691
03/08	150,434	45,040	195,474
04/08	150,684	45,115	195,799
05/08	150,718	45,125	195,843
06/08	150,517	45,065	195,582
<b>Total</b>	<b>\$ 1,802,548</b>	<b>\$ 539,685</b>	<b>\$ 2,342,233</b>

HAWAII STATE TEACHERS ASSOCIATION

ACTUAL INTERIM IBNR

Primary Plan  
Actives  
(all benefits)

IBNR Runout for  
Contract Year 7/07-6/08

<u>Month Paid</u>	<u>Actual IBNR for 07/07 - 06/08</u>
2008 July	\$3,059,258
August	863,268
September	187,506
October	100,292
November	<b>To Be Completed</b>
December	
2009 January	
February	
March	
April	
May	
June	
Total	<b>\$4,210,323.13</b>

FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan (Actives)

For the Period: July 1, 2007 through June 30, 2008

Paid: July 1, 2007 through June 30, 2008

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2007 July	\$1,133,949.07	\$604,232.61	\$100.00	\$191,285.50	\$1,929,567.18
August	\$2,940,627.06	\$792,341.41	\$625.00	\$192,110.10	\$3,925,703.57
September	\$2,720,205.53	\$799,040.48	\$137.50	\$196,102.90	\$3,715,486.41
October	\$3,806,297.48	\$987,133.03	\$337.50	\$196,276.50	\$4,990,044.51
November	\$3,115,824.20	\$837,809.71	\$125.00	\$196,233.10	\$4,149,992.01
December	\$3,087,333.06	\$923,459.81	\$125.00	\$196,276.50	\$4,207,194.37
2008 January	\$3,492,413.73	\$1,043,772.82	\$175.00	\$195,560.40	\$4,731,921.95
February	\$3,209,626.15	\$927,986.77	\$787.50	\$195,690.60	\$4,334,091.02
March	\$3,161,215.26	\$937,598.62	\$2,137.50	\$195,473.60	\$4,296,424.98
April	\$3,596,821.03	\$1,029,674.98	\$787.50	\$195,799.10	\$4,823,082.61
May	\$3,834,422.91	\$912,743.72	\$275.00	\$195,842.50	\$4,943,284.13
June	\$3,451,684.62	\$976,977.68	\$337.50	\$195,582.10	\$4,624,581.90
Total	<u>\$37,550,420.10</u>	<u>\$10,772,771.64</u>	<u>\$5,950.00</u>	<u>\$2,342,232.90</u>	<u>\$50,671,374.64</u>

PRIMARY PLAN (ACTIVES) SUMMARY

Total Benefits, Case Management and Retention* *	\$50,671,374.64
Estimated Drug Rebate for July 1, 2007 through June 30, 2008	(\$673,521.24)

- \* \$16.70 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2007 through June 2008 period.
- \* \* Does not include Benefits incurred 7/1/07 through 6/30/08 and paid after 6/30/08

FURNISHED BY HMSA

Hawaii State Teachers Association-VEBA  
Primary Plan - Actives

Benefits Incurred 7/07 - 6/08 and Paid 7/08 - 6/09:

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
Jul-08	\$ 2,678,203.38	\$ 381,054.14	\$ 3,059,257.52
Aug-08	\$ 868,825.44	\$ (5,557.86)	\$ 863,267.58
Sep-08	\$ 187,632.67	\$ (126.71)	\$ 187,505.96
Oct-08	\$ 99,018.80	\$ 1,273.27	\$ 100,292.07
Nov-08			
Dec-08			
Jan-09			
Feb-09			
Mar-09			
Apr-09			
May-09			
Jun-09			
	<hr/>	<hr/>	<hr/>
	\$ 3,833,680.29	\$ 376,642.84	\$ 4,210,323.13

# INTERIM ACCOUNTING

<b>Self-Funded Supplemental (dual) Plans</b>
--

## HAWAII STATE TEACHERS ASSOCIATION SELF-FUNDED EXPERIENCE SUMMARY

<b>FOR THE PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008</b>
---

<b>ACTIVES</b>
----------------

<i>Updated with 4 months of actual IBNR and an estimate for the remaining 8 months</i>
--

	Medical	Drug	Vision	Total
<b>Premiums Collected</b>	<b>\$1,689,235</b>	<b>\$295,127</b>	<b>\$36,815</b>	<b>\$2,021,177</b>
Claims Incurred & Paid	\$1,294,876	\$256,916	\$18,978	\$1,570,770
Actual IBNR (paid 7/08-10/08)	100,249	8,814	2,929	111,993
Est. IBNR (11/08-6/09) <sup>1</sup>	17,000	1,200	400	18,600
<b>Total Incurred Claims</b>	<b>\$1,412,126</b>	<b>\$266,931</b>	<b>\$22,307</b>	<b>\$1,701,363</b>
HMSA Retention	\$68,198	\$15,206	\$1,843	\$85,248
Est. Drug Rebate Credit <sup>2</sup>	n/a	(\$18,479)	n/a	(\$18,479)
<b>Total Est. Expenses</b>	<b>\$1,480,324</b>	<b>\$263,658</b>	<b>\$24,150</b>	<b>\$1,768,132</b>
<b>Est. Surplus/(Deficit)</b>	<b>\$208,911</b>	<b>\$31,469</b>	<b>\$12,665</b>	<b><u>\$253,045</u></b>
<b>Est. % Surplus/(Deficit)</b>	12.4%	10.7%	34.4%	<b><u>12.5%</u></b>
<b><u>Average # Subscribers</u></b>				
<b><u>Per Month</u></b>	<b>384</b>	<b>384</b>	<b>384</b>	

**See Exhibit 1 for calculation of premiums collected.**

**See Exhibit 2 for claims incurred & paid and retention.**

**See Exhibit 3 for IBNR claims runout.**

<sup>1</sup> Based on 9.1% of incurred & paid for medical, 3.9% for drug, and 17.5% for vision (8.3% combined).

<sup>2</sup> Based on HMSA's estimate (6.9% of estimated claims incurred and paid).



HSTA VEBA TRUST  
MONTHLY ENROLLMENT

Exhibit 1  
(page 2 of 2)

07/07 - 06/08

PREMIUMS COLLECTED  
(VISION)

**ACTIVES - Supplemental (Dual)**

Month	Self-Funded - Vision Enrollment		
	Single	Family	Total
07/07	70	319	389
08/07	72	318	390
09/07	75	322	397
10/07	76	320	396
11/07	75	314	389
12/07	76	313	389
01/08	74	310	384
02/08	73	307	380
03/08	74	307	381
04/08	72	300	372
05/08	72	299	371
06/08	73	297	370
Total	882	3,726	4,608
Average	74	311	384

<b>Vision Rate</b>	<b>x \$4.48</b>	<b>x \$8.82</b>	
<b>Total Vision</b>	<b>\$3,951.36</b>	<b>\$32,863.32</b>	<b>\$36,814.68</b>

**Exhibit 2**

**HAWAII STATE TEACHERS ASSOCIATION**

**SELF-FUNDED PLAN**

**Supplemental  
(Dual Coverage)  
Plan**

**STATEMENT OF BENEFITS (INCURRED AND PAID)  
FOR THE PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008**

	<u>Medical</u>	<u>Drug</u>	<u>Vision</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>				
07/07	\$ 47,922	\$ 14,878	\$ 1,440	\$ 64,240
08/07	96,305	21,917	1,618	119,840
09/07	69,582	20,429	1,197	91,209
10/07	112,767	25,370	2,676	140,813
11/07	90,518	20,701	732	111,950
12/07	115,644	22,398	2,393	140,435
01/08	164,032	25,123	1,788	190,942
02/08	99,567	19,803	1,481	120,851
03/08	138,041	22,385	1,436	161,862
04/08	118,563	23,846	1,897	144,306
05/08	134,383	18,369	1,229	153,981
06/08	107,553	21,697	1,090	130,340
<b>Total</b>	<b>\$ 1,294,876</b>	<b>\$ 256,916</b>	<b>\$ 18,978</b>	<b>\$ 1,570,770</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

**HMSA RETENTION**

07/07	\$ 5,757	\$ 1,284	\$ 156	\$ 7,197
08/07	5,772	1,287	156	7,215
09/07	5,876	1,310	159	7,345
10/07	5,861	1,307	158	7,326
11/07	5,757	1,284	156	7,197
12/07	5,757	1,284	156	7,197
01/08	5,683	1,267	154	7,104
02/08	5,624	1,254	152	7,030
03/08	5,639	1,257	152	7,049
04/08	5,506	1,228	149	6,882
05/08	5,491	1,224	148	6,864
06/08	5,476	1,221	148	6,845
<b>Total</b>	<b>\$ 68,198</b>	<b>\$ 15,206</b>	<b>\$ 1,843</b>	<b>\$ 85,248</b>

**HAWAII STATE TEACHERS ASSOCIATION**

**ACTUAL INTERIM IBNR**

**Supplemental  
(dual coverage)  
Plan  
(all benefits)**

**IBNR Runout for  
Contract Year 7/07-6/08**

<u><b>Month Paid</b></u>	<u><b>Actual IBNR for 07/07 - 06/08</b></u>
2008 July	\$85,293
August	(19,878)
September	12,277
October	34,300
November	<b>To Be Completed</b>
December	
2009 January	
February	
March	
April	
May	
June	
Total	<b>\$111,992.87</b>

# FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Dual Plan

For the Period: July 1, 2007 through June 30, 2008

Paid: July 1, 2007 through June 30, 2008

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>VISION BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2007 July	\$47,922.13	\$14,877.70	\$1,440.12	\$0.00	\$7,196.50	\$71,436.45
August	\$96,305.33	\$21,916.88	\$1,618.24	\$0.00	\$7,215.00	\$127,055.45
September	\$69,582.07	\$20,429.18	\$1,197.38	\$0.00	\$7,344.50	\$98,553.13
October	\$112,766.51	\$25,369.86	\$2,676.24	\$0.00	\$7,326.00	\$148,138.61
November	\$90,517.53	\$20,700.99	\$731.68	\$0.00	\$7,196.50	\$119,146.70
December	\$115,644.05	\$22,398.28	\$2,393.05	\$0.00	\$7,196.50	\$147,631.88
2008 January	\$164,031.69	\$25,122.76	\$1,787.80	\$0.00	\$7,104.00	\$198,046.25
February	\$99,567.21	\$19,802.79	\$1,480.98	\$0.00	\$7,030.00	\$127,880.98
March	\$138,040.93	\$22,385.06	\$1,436.00	\$0.00	\$7,048.50	\$168,910.49
April	\$118,562.93	\$23,846.48	\$1,897.00	\$0.00	\$6,882.00	\$151,188.41
May	\$134,382.83	\$18,368.72	\$1,229.00	\$0.00	\$6,863.50	\$160,844.05
June	\$107,552.91	\$21,697.47	\$1,090.01	\$0.00	\$6,845.00	\$137,185.39
<b>Total</b>	<b>\$1,294,876.12</b>	<b>\$256,916.17</b>	<b>\$18,977.50</b>	<b>\$0.00</b>	<b>\$85,248.00</b>	<b>\$1,656,017.79</b>

## DUAL PLAN SUMMARY

Total Benefits, Case Management and Retention\*\*

\$1,656,017.79

Estimated Drug Rebate for July 1, 2007 through June 30, 2008

(\$18,478.69)

\* \$14.80 medical, \$3.30 drug, & \$0.40 vision per subscriber per month was charged for retention in the July 2007 through June 2008 period.

\*\* Does not include Benefits incurred 7/1/07 through 6/30/08 and paid after 6/30/08

FURNISHED BY HMSA

Hawaii State Teachers Association-VEBA  
Dual Plan (Supplemental) - Actives

Benefits Incurred 7/07 - 6/08 and Paid 7/08 - 6/09:

	<u>Medical</u>	<u>Drug</u>	<u>Vision</u>	<u>Total</u>
Jul-08	\$ 74,328.35	\$ 9,084.55	\$ 1,880.04	\$ 85,292.94
Aug-08	\$ (20,247.57)	\$ (281.94)	\$ 651.80	\$ (19,877.71)
Sep-08	\$ 12,028.38	\$ 11.83	\$ 237.17	\$ 12,277.38
Oct-08	\$ 34,140.26	\$ -	\$ 160.00	\$ 34,300.26
Nov-08				
Dec-08				
Jan-09				
Feb-09				
Mar-09				
Apr-09				
May-09				
Jun-09				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 100,249.42	\$ 8,814.44	\$ 2,929.01	\$ 111,992.87

# INTERIM ACCOUNTING SUMMARY

## HAWAII STATE TEACHERS ASSOCIATION

### SELF-FUNDED EXPERIENCE SUMMARY (PPP PLAN)

FOR THE PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008

Retiree  
Self-Funded  
Plans

**RETIREES**  
(includes Medicare Part D Rx)

Updated with 4 months of  
actual IBNR and an estimate  
for the remaining 8 months

	Medical	Drug <sup>1</sup>	Drug (EGWP)	Total
<b>Premiums Collected</b>	<b>\$5,956,022</b>	<b>\$2,438,994</b>	<b>\$1,441,308</b>	<b>\$9,836,324</b>
Claims Incurred & Paid	\$5,245,853	\$2,318,895	\$1,276,281 <sup>2</sup>	\$8,841,029
Actual IBNR (7/08-10/08)	777,668	77,351		855,019
Est. IBNR (11/08-6/09) <sup>3</sup>	149,600	4,000		153,600
<b>Est. Total Incurred Claims</b>	<b>\$6,173,122</b>	<b>\$2,400,246</b>	<b>\$1,276,281</b>	<b>\$9,849,648</b>
HMSA Retention	\$297,661	\$61,520	\$19,316 <sup>4</sup>	\$378,498
Est. Drug Rebate Credit	n/a	(\$58,598) <sup>5</sup>	(\$24,133) <sup>6</sup>	(\$82,731)
<b>Total Expenses</b>	<b>\$6,470,783</b>	<b>\$2,403,167</b>	<b>\$1,271,464</b>	<b>\$10,145,414</b>
<b>Surplus/(Deficit)</b>	<b>(\$514,761)</b>	<b>\$35,827</b>	<b>\$169,844</b>	<b><u>(\$309,090)</u></b>
<b>% Surplus/(Deficit)</b>	<b>-8.6%</b>	<b>1.5%</b>	<b>11.8%</b>	<b><u>-3.1%</u></b>
<b><u>Average # Subscribers Per Month</u></b>				
7/07-6/08 Average	1,486	850	523	
As of 6/08	1,541	834	580	

**See Exhibit 1 for calculation of premiums collected.**

**See Exhibit 2 for claims incurred & paid and retention.**

**See Exhibit 3 for IBNR claims runoff.**

<sup>1</sup> For all retirees up to December 31, 2006. From January 1, 2007, only for non-medicare retirees or non-medicare dependents of medicare retirees.

<sup>2</sup> Includes the 2007 allocated EGWP cost for 07/07 - 12/07, which includes retention, IBNR and drug rebate credit. Also includes 2008 claims paid for 01/08 - 06/08.

<sup>3</sup> Based on total est. IBNR of 17.7% of incurred & paid for medical, and 3.5% for drug (11.4% combined).

<sup>4</sup> Retention for 01/08 - 06/08 only.

<sup>5</sup> Based on HMSA's estimate.

<sup>6</sup> Based on estimated IBNR of 3.5% of incurred & paid for 01/08 - 06/08 EGWP cost.

**HSTA VEBT  
MONTHLY ENROLLMENT  
07/07 - 06/08**

**Exhibit 1  
(page 1 of 2)**

**RETIREES  
(non-medicare)**

<b>Rates:</b>			
<b>Medical</b>	<u>Single</u>	<u>Family</u>	
	\$201.26	\$558.79	
<b>Drug</b>	118.41	329.79	
<b>Vision</b>	5.69	13.41	
<b>Chiropractic</b>	1.00	2.40	
<b>Total</b>	<u>\$326.36</u>	<u>\$904.39</u>	

SELF-FUNDED PLANS						
Month	MEDICAL			DRUG		
	Single	Family	Total	Single	Family	Total
07/07	348	587	935	347	489	836
08/07	357	604	961	356	495	851
09/07	362	597	959	362	489	851
10/07	357	601	958	357	494	851
11/07	361	589	950	361	484	845
12/07	362	584	946	362	477	839
01/08	372	606	978	368	498	866
02/08	373	605	978	373	491	864
03/08	371	606	977	371	483	854
04/08	372	607	979	372	482	854
05/08	371	599	970	371	478	849
06/08	366	595	961	366	468	834
<b>Total</b>	4,372	7,180	11,552	4,366	5,828	10,194
<b>Average</b>	364	598	963	364	486	850

**Medical x \$201.26 x \$558.79**

**Drug x \$118.41 x \$329.79**

**Total \$879,909 \$4,012,112 \$4,892,021**

**\$516,978 \$1,922,016 \$2,438,994**

**HSTA VEBT  
MONTHLY ENROLLMENT  
07/07 - 06/08**

**Exhibit 1  
(page 2 of 2)**

**RETIREES  
(medicare)**

<b>Rates:</b>		<u>Single</u>	<u>Family</u>
<b>Medical</b>		<b>\$98.62</b>	<b>\$266.27</b>
<b>Drug</b>		<b>116.35</b>	<b>384.16</b>
Vision		5.69	13.41
Chiropractic		1.00	2.40
<b>Total</b>		<b>\$221.66</b>	<b>\$666.24</b>

Month	MEDICAL			DRUG (EGWP)		
	Single	Family	Total	Single	Family	Total
	07/07	277	190	467	277	190
08/07	280	198	478	280	198	478
09/07	283	201	484	283	201	484
10/07	290	207	497	290	207	497
11/07	292	219	511	292	219	511
12/07	297	220	517	297	220	517
01/08	305	228	533	305	228	533
02/08	310	229	539	310	229	539
03/08	314	232	546	314	232	546
04/08	317	235	552	317	235	552
05/08	320	248	568	320	248	568
06/08	330	250	580	330	250	580
<b>Total</b>	<b>3,615</b>	<b>2,657</b>	<b>6,272</b>	<b>3,615</b>	<b>2,657</b>	<b>6,272</b>
<b>Average</b>	<b>301</b>	<b>221</b>	<b>523</b>	<b>301</b>	<b>221</b>	<b>523</b>

**Medical x \$98.62 x \$266.27**

**Drug x \$116.35 x \$384.16**

**Total \$356,511 \$707,490 \$1,064,001**

**\$420,605 \$1,020,702 \$1,441,308**

**HAWAII STATE TEACHERS ASSOCIATION**

**SELF-FUNDED PLAN**

**Retirees**  
**(non-medicare)**

**STATEMENT OF BENEFITS (INCURRED AND PAID)**

**FOR THE PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/07	\$ 186,747	\$ 128,345	\$ 315,093
08/07	349,051	175,914	524,965
09/07	392,035	188,260	580,295
10/07	394,291	214,383	608,674
11/07	376,306	179,175	555,481
12/07	294,157	213,720	507,877
01/08	335,767	200,339	536,105
02/08	423,562	196,435	619,997
03/08	499,873	200,730	700,603
04/08	395,008	230,843	625,851
05/08	470,116	184,241	654,357
06/08	323,405	206,511	529,916
<b>Total</b>	<b>\$ 4,440,318</b>	<b>\$ 2,318,895</b>	<b>\$ 6,759,213</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

**HMSA RETENTION**

07/07	\$ 15,615	\$ 5,020	\$ 20,635
08/07	16,049	5,090	21,139
09/07	16,015	5,110	21,125
10/07	15,999	5,135	21,134
11/07	15,865	5,045	20,910
12/07	15,798	5,030	20,828
01/08	16,333	5,225	21,558
02/08	16,333	5,200	21,533
03/08	16,316	5,190	21,506
04/08	16,349	5,200	21,549
05/08	16,199	5,175	21,374
06/08	16,049	5,100	21,149
<b>Total</b>	<b>\$ 192,919</b>	<b>\$ 61,520</b>	<b>\$ 254,438</b>

**HAWAII STATE TEACHERS ASSOCIATION**

**SELF-FUNDED PLAN**

**Retirees**  
*(medicare)*

**STATEMENT OF BENEFITS (INCURRED AND PAID)**

**FOR THE PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008**

	<u>Medical</u>	<u>Drug (EGWP)</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/07	\$ 3,723		\$ 3,723
08/07	47,460		47,460
09/07	54,019		54,019
10/07	65,956		65,956
11/07	61,502		61,502
12/07	59,082		59,082
01/08	81,081	74,043	155,124
02/08	78,863	106,498	185,361
03/08	78,702	105,576	184,279
04/08	87,717	148,599	236,316
05/08	93,622	131,634	225,256
06/08	93,807	123,168	216,975
<b>Total</b>	<b>\$ 805,535</b>	<b>\$ 689,518</b>	<b>\$ 1,495,053</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

**HMSA RETENTION**

07/07	\$ 7,799		\$ 7,799
08/07	7,983		7,983
09/07	8,083		8,083
10/07	8,300		8,300
11/07	8,534		8,534
12/07	8,634		8,634
01/08	8,901	3,086	11,987
02/08	9,001	3,124	12,125
03/08	9,118	3,191	12,309
04/08	9,218	3,218	12,436
05/08	9,486	3,304	12,789
06/08	9,686	3,394	13,080
<b>Total</b>	<b>\$ 104,742</b>	<b>\$ 19,316</b>	<b>\$ 124,059</b>

**HAWAII STATE TEACHERS ASSOCIATION**

**ACTUAL FINAL IBNR**

**Primary Plan  
Retirees  
(all benefits)**

**IBNR Runout for  
Contract Year 7/07-6/08**

<b><u>Month Paid</u></b>		<b><u>Actual IBNR for 07/07 - 06/08</u></b>	
2008	July	\$ 432,888	
	August	342,288	
	September	26,123	
	October	53,720	
	November	<b>To Be Completed</b>	
	December		
2009	January		
	February		
	March		
	April		
	May		
	June		
	<b>Total</b>		<b>\$855,018.95</b>

FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA  
Annual Accounting Report  
Primary Plan (Retirees without Medicare)

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2007 July	\$186,747.49	\$115,524.38	\$0.00	\$19,794.50	\$322,066.37
August	\$349,050.85	\$155,477.07	\$0.00	\$20,303.70	\$524,831.62
September	\$392,035.27	\$171,763.42	\$0.00	\$20,270.30	\$584,068.99
October	\$394,291.03	\$192,092.83	\$0.00	\$20,253.60	\$606,637.46
November	\$376,306.05	\$161,791.47	\$0.00	\$20,090.00	\$558,187.52
December	\$294,157.04	\$197,199.85	\$0.00	\$19,993.20	\$511,350.09
2008 January	\$335,766.52	\$179,272.01	\$0.00	\$20,662.60	\$535,701.13
February	\$423,562.22	\$175,429.70	\$0.00	\$20,652.60	\$619,644.52
March	\$499,872.83	\$182,961.47	\$0.00	\$20,585.90	\$703,420.20
April	\$395,008.16	\$203,189.88	\$212.50	\$20,619.30	\$619,029.84
May	\$470,115.85	\$167,444.33	\$275.00	\$20,444.00	\$658,279.18
June	\$323,404.86	\$187,667.89	\$12.50	\$20,218.70	\$531,303.95
<b>Total</b>	<b>\$4,440,318.17</b>	<b>\$2,089,814.30</b>	<b>\$500.00</b>	<b>\$243,888.40</b>	<b>\$6,774,520.87</b>

PRIMARY PLAN RETIREES (WITHOUT MEDICARE) SUMMARY

Total Benefits, Case Management and Retention* *	\$6,774,520.87
Estimated Drug Rebate for July 1, 2007 through June 30, 2008	(\$52,272.00)

\* \$16.70 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2007 through June 2008 period.

\*\* Does not include Benefits incurred 7/1/07 through 6/30/08 and paid after 6/30/08

FURNISHED BY HMSA

**Hawaii State Teachers Association-VEBA  
Primary Plan - Retirees Without Medicare**

**Benefits Incurred 7/07 - 6/08 and Paid 7/08 - 6/09:**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
Jul-08	\$ 249,430.85	\$ 68,484.25	\$ 317,915.10
Aug-08	\$ 305,761.96	\$ (1,438.08)	\$ 304,323.88
Sep-08	\$ 30,084.60	\$ 423.51	\$ 30,508.11
Oct-08	\$ 48,996.24	\$ 48.80	\$ 49,045.04
Nov-08			
Dec-08			
Jan-09			
Feb-09			
Mar-09			
Apr-09			
May-09			
Jun-09			
	<hr/>	<hr/>	<hr/>
	\$ 634,273.65	\$ 67,518.48	\$ 701,792.13

## FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan (Retirees with Medicare)

For the Period: July 1, 2007 through June 30, 2008

Paid: July 1, 2007 through June 30, 2008

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2007 July	\$3,722.97	\$12,820.78	\$0.00	\$8,638.90	\$25,182.65
August	\$47,459.80	\$20,436.60	\$125.00	\$8,817.60	\$76,839.00
September	\$54,019.06	\$16,496.79	\$0.00	\$8,937.80	\$79,453.65
October	\$65,955.76	\$22,290.04	\$0.00	\$9,179.90	\$97,425.70
November	\$61,502.42	\$17,383.81	\$0.00	\$9,358.70	\$88,244.93
December	\$59,082.09	\$16,520.12	\$0.00	\$9,468.90	\$85,071.11
2008 January	\$81,081.03	\$21,066.66	\$50.00	\$9,801.10	\$111,998.79
February	\$78,863.44	\$21,005.15	\$0.00	\$9,881.30	\$109,749.89
March	\$78,702.32	\$17,768.30	\$0.00	\$10,038.20	\$106,508.82
April	\$87,716.97	\$27,652.78	\$0.00	\$10,148.40	\$125,518.15
May	\$93,622.24	\$16,796.88	\$0.00	\$10,440.60	\$120,859.72
June	\$93,806.82	\$18,842.79	\$0.00	\$10,651.00	\$123,300.61
<b>Total</b>	<b><u>\$805,534.92</u></b>	<b><u>\$229,080.70</u></b>	<b><u>\$175.00</u></b>	<b><u>\$115,362.40</u></b>	<b><u>\$1,150,153.02</u></b>

### PRIMARY PLAN (RETIRES WITH MEDICARE) SUMMARY

Total Benefits, Case Management and Retention**	\$1,150,153.02
Estimated Drug Rebate for July 1, 2007 through June 30, 2008	(\$6,326.10)

\* \$16.70 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2007 through June 2008 period.

\*\* Does not include Benefits incurred 7/1/07 through 6/30/08 and paid after 6/30/08

FURNISHED BY HMSA

Hawaii State Teachers Association-VEBA  
Primary Plan - Retirees With Medicare

Benefits Incurred 7/07 - 6/08 and Paid 7/08 - 6/09:

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
Jul-08	\$ 104,728.55	\$ 10,244.08	\$ 114,972.63
Aug-08	\$ 38,078.01	\$ (113.68)	\$ 37,964.33
Sep-08	\$ (4,086.91)	\$ (298.34)	\$ (4,385.25)
Oct-08	\$ 4,675.11	\$ -	\$ 4,675.11
Nov-08			
Dec-08			
Jan-09			
Feb-09			
Mar-09			
Apr-09			
May-09			
Jun-09			
	<hr/>	<hr/>	<hr/>
	\$ 143,394.76	\$ 9,832.06	\$ 153,226.82

**FINAL ACCOUNTING SUMMARY**

**Primary  
Self-Funded  
Plans**

**HAWAII STATE TEACHERS ASSOCIATION**

Collectively Bargained Benefits under Act 245

**FOR THE PERIOD: July 1, 2006 through June 30, 2007**

**ACTIVES**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Premiums Collected</b>	<b>\$38,593,395.00</b>	<b>\$13,163,240.00</b>	<b>\$51,756,635.00</b>
Claims Incurred & Paid	\$32,634,615.57	\$9,973,317.98	\$42,607,933.55
Actual IBNR (7/07-6/08)	3,551,834.52	349,370.68	3,901,205.20
<b>Total Incurred Claims</b>	<b>\$36,186,450.09</b>	<b>\$10,322,688.66</b>	<b>\$46,509,138.75</b>
HMSA Retention	\$1,771,962.85	\$525,805.00	\$2,297,767.85
Case Management Fees	\$2,450.00	n/a	\$2,450.00
<b>Total Paid Out</b>	<b>\$37,960,862.94</b>	<b>\$10,848,493.66</b>	<b>\$48,809,356.60</b>
Drug Rebate Credit	n/a	(\$613,540.22)	(\$613,540.22)
<b>Total Net Expenses</b>	<b>\$37,960,862.94</b>	<b>\$10,234,953.44</b>	<b>\$48,195,816.38</b>
<b>Surplus</b>	<b>\$632,532.06</b>	<b>\$2,928,286.56</b>	<b>\$3,560,818.62</b>
			<u>x 60.0%</u>
		<b>Refund to the State</b>	<b>\$ 2,136,491.17</b>

**See Exhibit 1 for calculation of premiums collected.**  
**See Exhibit 2 for claims incurred & paid and retention.**  
**See Exhibit 3 for IBNR claims runout and drug rebate credit.**

**HSTA VEBT  
MONTHLY ENROLLMENT**

**Exhibit 1  
(page 1 of 2)**

**07/06 - 06/07  
ACTIVES - Primary**

**PREMIUMS COLLECTED  
(MEDICAL)**

<b>Rates:</b>	<u>Single</u>	<u>Family</u>
<b>Medical</b>	<b>\$190.50</b>	<b>\$571.50</b>
<b>Drug</b>	<b>64.00</b>	<b>196.00</b>
<b>Vision</b>	6.08	12.99
<b>Chiropractic</b>	<u>1.10</u>	<u>2.64</u>
<b>Total</b>	<u>\$261.68</u>	<u>\$783.13</u>
Employer (CBA)	\$157.01	\$469.87
Employee Share	\$104.67	\$313.26

Month	<b>SELF-FUNDED MEDICAL ENROLLMENT</b>		
	Single	Family	Total
07/06	4,325	4,057	8,382
08/06	4,425	4,016	8,441
09/06	4,619	4,111	8,730
10/06	4,537	4,095	8,632
11/06	4,650	4,168	8,818
12/06	4,580	4,115	8,695
01/07	4,558	4,110	8,668
02/07	4,562	4,089	8,651
03/07	4,591	4,119	8,710
04/07	4,558	4,195	8,753
05/07	4,514	4,152	8,666
06/07	4,561	4,143	8,704
<b>Total</b>	<b>54,480</b>	<b>49,370</b>	<b>103,850</b>
<b>Average</b>	<b>4,540</b>	<b>4,114</b>	<b>8,654</b>

**Medical Rate**      **x \$190.50**      **x \$571.50**

<b>Total Medical</b>	<b>\$10,378,440.00</b>	<b>\$28,214,955.00</b>	<b>\$38,593,395.00</b>
----------------------	------------------------	------------------------	------------------------

HSTA VEBT  
MONTHLY ENROLLMENT

**Exhibit 1**  
(page 2 of 2)

**07/06 - 06/07**

**PREMIUMS COLLECTED  
(DRUG)**

**ACTIVES - Primary**

Month	SELF-FUNDED DRUG ENROLLMENT		
	Single	Family	Total
07/06	4,325	4,057	8,382
08/06	4,425	4,016	8,441
09/06	4,619	4,111	8,730
10/06	4,537	4,095	8,632
11/06	4,650	4,168	8,818
12/06	4,580	4,115	8,695
01/07	4,558	4,110	8,668
02/07	4,562	4,089	8,651
03/07	4,591	4,119	8,710
04/07	4,558	4,195	8,753
05/07	4,514	4,152	8,666
06/07	4,561	4,143	8,704
Total	54,480	49,370	103,850
Average	4,540	4,114	8,654

**Drug Rate**                      **x \$64.00**                      **x \$196.00**

<b>Total Drug</b>	<b>\$3,486,720.00</b>	<b>\$9,676,520.00</b>	<b>\$13,163,240.00</b>
-------------------	-----------------------	-----------------------	------------------------

**HAWAII STATE TEACHERS ASSOCIATION  
SELF-FUNDED PLAN**

**STATEMENT OF BENEFITS (INCURRED AND PAID)  
FOR THE PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007**

**ACTIVES  
(Primary)**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/06	\$ 1,213,961	\$ 448,569	\$ 1,662,529
08/06	2,418,010	864,764	3,282,774
09/06	2,294,955	756,949	3,051,904
10/06	2,610,012	918,427	3,528,439
11/06	2,705,322	787,542	3,492,863
12/06	2,648,395	821,525	3,469,920
01/07	2,644,802	992,394	3,637,196
02/07	2,529,298	805,107	3,334,404
03/07	3,382,025	844,029	4,226,054
04/07	3,335,012	868,227	4,203,239
05/07	3,545,187	973,561	4,518,748
06/07	3,307,638	892,225	4,199,863
<b>Total</b>	<b>\$ 32,634,616</b>	<b>\$ 9,973,318</b>	<b>\$ 42,607,934</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

**HMSA RETENTION**

07/06	\$ 144,135	\$ 42,770	\$ 186,905
08/06	145,668	43,225	188,893
09/06	146,612	43,505	190,117
10/06	147,488	43,765	191,253
11/06	148,179	43,970	192,149
12/06	148,196	43,975	192,171
01/07	148,229	43,985	192,214
02/07	148,701	44,125	192,826
03/07	148,786	44,150	192,936
04/07	148,937	44,195	193,132
05/07	148,499	44,065	192,564
06/07	148,533	44,075	192,608
<b>Total</b>	<b>\$ 1,771,963</b>	<b>\$ 525,805</b>	<b>\$ 2,297,768</b>

HAWAII STATE TEACHERS ASSOCIATION

ACTUAL FINAL IBNR

Primary Plan  
Actives  
(all benefits)

IBNR Runout for  
Contract Year 7/06-6/07

<u>Month Paid</u>	<u>Actual IBNR for 07/06 - 06/07</u>
2007 July	\$2,835,277
August	514,235
September	219,521
October	126,316
November	18,158
December	58,748
2008 January	2,728
February	62,330
March	43,175
April	29,207
May	12,778
June	(21,268)
Total	<b>\$3,901,205.20</b>

**DRUG REBATE CREDIT**

HMSA Report received on 01/17/08 Est.	\$ (766,623.69)
Adjustment from HMSA rec'd on 09/03/08	153,083.47
<b>Net Credit</b>	<b>\$ (613,540.22)</b>

**FURNISHED BY HMSA**

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan - Actives

For the Period: July 1, 2006 through June 30, 2007

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
July 2006	\$1,213,960.72	\$448,568.52	\$150.00	\$186,904.90	\$1,849,584.14
August	\$2,418,009.57	\$864,764.18	\$275.00	\$188,893.25	\$3,471,942.00
September	\$2,294,954.88	\$756,948.81	\$125.00	\$190,116.85	\$3,242,145.54
October	\$2,610,012.15	\$918,426.65	\$212.50	\$191,253.05	\$3,719,904.35
November	\$2,705,321.82	\$787,541.53	\$0.00	\$192,148.90	\$3,685,012.25
December	\$2,648,394.88	\$821,525.46	\$525.00	\$192,170.75	\$3,662,616.09
January 2007	\$2,644,802.43	\$992,393.80	\$250.00	\$192,214.45	\$3,829,660.68
February	\$2,529,297.70	\$805,106.59	\$50.00	\$192,826.25	\$3,527,280.54
March	\$3,382,025.19	\$844,028.93	\$150.00	\$192,935.50	\$4,419,139.62
April	\$3,335,011.50	\$868,227.35	\$187.50	\$193,132.15	\$4,396,558.50
May	\$3,545,187.07	\$973,560.72	\$325.00	\$192,564.05	\$4,711,636.84
June	\$3,307,637.66	\$892,225.44	\$200.00	\$192,607.75	\$4,392,670.85
<b>Total</b>	<b>\$32,634,615.57</b>	<b>\$9,973,317.98</b>	<b>\$2,450.00</b>	<b>\$2,297,767.85</b>	<b>\$44,908,151.40</b>

**PRIMARY PLAN SUMMARY**

Total Benefits and Retention**	\$44,908,151.40
Estimated Drug Rebate for July 1, 2006 through June 30, 2007	(766,623.69)

\* \$16.85 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2006 through June 2007 period.

\*\* Does not include Benefits incurred 7/1/06 through 6/30/07 and paid after 6/30/07.

## FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA

Final Accounting Report

Primary Plan (Actives)

For the Period: July 1, 2006 through June 30, 2007

Paid: July 1, 2006 through June 30, 2008

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2006 July	\$1,213,960.72	\$448,568.52	\$150.00	\$186,904.90	\$1,849,584.14
August	\$2,418,009.57	\$864,764.18	\$275.00	\$188,893.25	\$3,471,942.00
September	\$2,294,954.88	\$756,948.81	\$125.00	\$190,116.85	\$3,242,145.54
October	\$2,610,012.15	\$918,426.65	\$212.50	\$191,253.05	\$3,719,904.35
November	\$2,705,321.82	\$787,541.53	\$0.00	\$192,148.90	\$3,685,012.25
December	\$2,648,394.88	\$821,525.46	\$525.00	\$192,170.75	\$3,662,616.09
2007 January	\$2,644,802.43	\$992,393.80	\$250.00	\$192,214.45	\$3,829,660.68
February	\$2,529,297.70	\$805,106.59	\$50.00	\$192,826.25	\$3,527,280.54
March	\$3,382,025.19	\$844,028.93	\$150.00	\$192,935.50	\$4,419,139.62
April	\$3,335,011.50	\$868,227.35	\$187.50	\$193,132.15	\$4,396,558.50
May	\$3,545,187.07	\$973,560.72	\$325.00	\$192,564.05	\$4,711,636.84
June	\$3,307,637.66	\$892,225.44	\$200.00	\$192,607.75	\$4,392,670.85
July	\$2,491,830.55	\$343,446.28	\$0.00	\$0.00	\$2,835,276.83
August	\$513,247.44	\$987.45	\$0.00	\$0.00	\$514,234.89
September	\$216,949.25	\$2,571.98	\$0.00	\$0.00	\$219,521.23
October	\$124,594.27	\$1,721.93	\$0.00	\$0.00	\$126,316.20
November	\$17,749.29	\$408.44	\$0.00	\$0.00	\$18,157.73
December	\$58,222.91	\$525.19	\$0.00	\$0.00	\$58,748.10
2008 January	\$2,595.65	\$132.75	\$0.00	\$0.00	\$2,728.40
February	\$62,261.93	\$67.66	\$0.00	\$0.00	\$62,329.59
March	\$43,101.04	\$74.23	\$0.00	\$0.00	\$43,175.27
April	\$29,158.96	\$48.09	\$0.00	\$0.00	\$29,207.05
May	\$13,436.10	(\$657.76)	\$0.00	\$0.00	\$12,778.34
June	(\$21,312.87)	\$44.44	\$0.00	\$0.00	(\$21,268.43)
<b>Total</b>	<b>\$36,186,450.09</b>	<b>\$10,322,688.66</b>	<b>\$2,450.00</b>	<b>\$2,297,767.85</b>	<b>\$48,809,356.60</b>

### PRIMARY PLAN (ACTIVES) SUMMARY

Total Benefits, Case Management and Retention  
July 1, 2006 through June 30, 2007 HMSA Drug Rebate Adjustment

\$48,809,356.60  
\$153,083.47

\* \$16.85 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2006 through June 2007 period.

# **FINAL ACCOUNTING SUMMARY**

## **HAWAII STATE TEACHERS ASSOCIATION**

**Collectively Bargained Benefits under Act 245**

**Supplemental  
(dual coverage)  
Self-Funded**

**FOR THE PERIOD: July 1, 2006 through June 30, 2007**

	<u>Medical</u>	<u>Drug</u>	<u>Vision</u>	<u>Total</u>
<b>Premiums Collected</b>	<b>\$1,429,230</b>	<b>\$301,507</b>	<b>\$41,537</b>	<b>\$1,772,274</b>
Claims Incurred & Paid	\$1,451,744	\$273,806	\$24,058	\$1,749,608
Actual IBNR (7/07-6/08)	127,668	11,123	2,307	141,097
<b>Total Incurred Claims</b>	<b>\$1,579,411</b>	<b>\$284,928</b>	<b>\$26,365</b>	<b>\$1,890,705</b>
HMSA Retention	\$74,222	\$16,550	\$2,001	\$92,773
Drug Rebate Credit	<u>n/a</u>	<u>(\$33,298)</u>	<u>n/a</u>	<u>(\$33,298)</u>
<b>Total Expenses</b>	<b>\$1,653,633</b>	<b>\$268,180</b>	<b>\$28,367</b>	<b>\$1,950,180</b>
<b>(Deficit)</b>	<b>(\$224,403)</b>	<b>\$33,327</b>	<b>\$13,170</b>	<b><u>(\$177,906)</u></b>

***See Exhibit 1 for calculation of premiums collected.***

***See Exhibit 2 for claims incurred & paid and retention.***

***See Exhibit 3 for IBNR claims runout and drug rebate credit.***

**HSTA VEBT  
MONTHLY ENROLLMENT**

**Exhibit 1  
(page 1 of 2)**

**07/06 - 06/07**

**ACTIVES - Supplemental**

**PREMIUMS COLLECTED  
(MEDICAL & DRUG)**

<b>Rates:</b>	<u>Single</u>	<u>Family</u>
<b>Medical</b>	<b>\$104.52</b>	<b>\$313.59</b>
<b>Drug</b>	<b>21.53</b>	<b>66.26</b>
<b>Vision</b>	<b>4.48</b>	<b>8.82</b>
<b>Chiropractic</b>	<b>1.10</b>	<b>2.64</b>
<b>Total</b>	<b><u>\$131.63</u></b>	<b><u>\$391.31</u></b>
Employer (CBA)	\$78.98	\$234.79
Employee Share	\$52.65	\$156.52

Month	Self-Funded - Medical & Rx Enrollment		
	Single	Family	Total
07/06	68	334	402
08/06	70	362	432
09/06	84	352	436
10/06	73	363	436
11/06	64	499	563
12/06	76	360	436
01/07	79	346	425
02/07	78	336	414
03/07	79	337	416
04/07	65	313	378
05/07	66	340	406
06/07	67	326	393
<b>Total</b>	<b>869</b>	<b>4,268</b>	<b>5,137</b>
<b>Average</b>	<b>72</b>	<b>356</b>	<b>428</b>

**Medical Rate      x \$104.52                  x \$313.59**

<b>Total Medical</b>	<b>\$90,827.88</b>	<b>\$1,338,402.12</b>	<b>\$1,429,230.00</b>
----------------------	--------------------	-----------------------	-----------------------

**Drug Rate              x \$21.53                          x \$66.26**

<b>Total Drug</b>	<b>\$18,709.57</b>	<b>\$282,797.68</b>	<b>\$301,507.25</b>
-------------------	--------------------	---------------------	---------------------

HSTA VEBT  
MONTHLY ENROLLMENT

Exhibit 1  
(page 2 of 2)

07/06 - 06/07

PREMIUMS COLLECTED  
(VISION)

**ACTIVES - Supplemental**

Month	Self-Funded - Vision Enrollment		
	Single	Family	Total
07/06	68	334	402
08/06	70	362	432
09/06	84	352	436
10/06	73	363	436
11/06	64	499	563
12/06	76	360	436
01/07	79	346	425
02/07	78	336	414
03/07	79	337	416
04/07	65	313	378
05/07	66	340	406
06/07	67	326	393
Total	869	4,268	5,137
Average	72	356	428

<b>Vision Rate</b>	<b><u>x \$4.48</u></b>	<b><u>x \$8.82</u></b>	
<b>Total Vision</b>	<b>\$3,893.12</b>	<b>\$37,643.76</b>	<b>\$41,536.88</b>

**Exhibit 2**

**Supplemental  
(Dual Coverage)  
Plan**

**HAWAII STATE TEACHERS ASSOCIATION**

**SELF-FUNDED PLAN**

**STATEMENT OF BENEFITS (INCURRED AND PAID)**

**FOR THE PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007**

	<u>Medical</u>	<u>Drug</u>	<u>Vision</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>				
07/06	\$ 50,933	\$ 10,963	\$ 740	\$ 62,637
08/06	107,828	23,234	2,567	133,629
09/06	80,142	23,561	1,883	105,586
10/06	215,399	26,057	2,244	243,700
11/06	166,501	21,086	1,674	189,262
12/06	95,200	25,213	1,645	122,057
01/07	95,689	28,309	3,287	127,285
02/07	113,303	21,310	1,701	136,314
03/07	155,600	24,672	1,852	182,124
04/07	143,375	22,684	2,974	169,033
05/07	108,712	24,872	1,504	135,088
06/07	119,060	21,846	1,988	142,894
Total	\$ 1,451,744	\$ 273,806	\$ 24,058	<b>\$ 1,749,608</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

**HMSA RETENTION**

07/06	\$ 6,186	\$ 1,379	\$ 163	\$ 7,729
08/06	6,290	1,403	169	7,862
09/06	6,334	1,412	171	7,918
10/06	6,438	1,436	174	8,048
11/06	6,438	1,436	174	8,048
12/06	6,438	1,436	174	8,048
01/07	6,379	1,422	172	7,974
02/07	6,260	1,396	169	7,826
03/07	6,231	1,389	168	7,789
04/07	5,742	1,280	155	7,178
05/07	5,757	1,284	156	7,197
06/07	5,728	1,277	155	7,160
Total	\$ 74,222	\$ 16,550	\$ 2,001	<b>\$ 92,773</b>

HAWAII STATE TEACHERS ASSOCIATION

ACTUAL FINAL IBNR

Supplemental  
(dual coverage)  
Plan  
(all benefits)

IBNR Runout for  
Contract Year 7/06-6/07

<u>Month Paid</u>	<u>Actual IBNR for 07/06 - 06/07</u>
2007 July	\$ 116,777
August	4,181
September	2,494
October	2,689
November	662
December	1,009
2008 January	1,203
February	2,784
March	8,306
April	463
May	65
June	466
Total	<u>\$ 141,097.34</u>

---

**DRUG REBATE CREDIT**

HMSA Report received on 01/17/08 Est.	\$ (13,339.90)
Adjustment from HMSA rec'd on 09/03/08	(19,957.97)
<b>Net Credit</b>	<u><u>\$ (33,297.87)</u></u>

## FURNISHED BY HMSA

Hawaii State Teacher's Association VEBA

Final Accounting Report

Dual Plan

For the Period: July 1, 2006 through June 30, 2007

Paid: July 1, 2006 through June 30, 2008

MONTH	MEDICAL BENEFITS	DRUG BENEFITS	VISION BENEFITS	CASE MANAGEMENT	RETENTION *	TOTAL
2006 July	\$50,933.29	\$10,962.99	\$740.34	\$0.00	\$7,729.00	\$70,365.62
August	\$107,828.42	\$23,234.45	\$2,566.55	\$0.00	\$7,861.70	\$141,491.12
September	\$80,142.02	\$23,560.52	\$1,883.32	\$0.00	\$7,918.00	\$113,503.86
October	\$215,399.35	\$26,056.88	\$2,243.75	\$0.00	\$8,047.50	\$251,747.48
November	\$166,501.31	\$21,086.45	\$1,673.98	\$0.00	\$8,047.50	\$197,309.24
December	\$95,199.51	\$25,212.50	\$1,644.75	\$0.00	\$8,047.50	\$130,104.26
2007 January	\$95,689.02	\$28,308.72	\$3,287.42	\$0.00	\$7,973.50	\$135,258.66
February	\$113,302.78	\$21,309.85	\$1,701.16	\$0.00	\$7,825.50	\$144,139.29
March	\$155,600.42	\$24,671.74	\$1,851.93	\$0.00	\$7,788.50	\$189,912.59
April	\$143,375.19	\$22,683.76	\$2,974.05	\$0.00	\$7,178.00	\$176,211.00
May	\$108,712.45	\$24,871.61	\$1,503.58	\$0.00	\$7,196.50	\$142,284.14
June	\$119,059.99	\$21,846.05	\$1,987.53	\$0.00	\$7,159.50	\$150,053.07
July	\$106,048.82	\$9,628.41	\$1,099.35	\$0.00	\$0.00	\$116,776.58
August	\$2,662.78	\$631.21	\$886.53	\$0.00	\$0.00	\$4,180.52
September	\$2,328.13	\$29.28	\$136.82	\$0.00	\$0.00	\$2,494.23
October	\$2,289.67	\$302.29	\$97.00	\$0.00	\$0.00	\$2,688.96
November	\$606.80	(\$5.00)	\$60.00	\$0.00	\$0.00	\$661.80
December	\$1,008.56	\$0.00	\$0.00	\$0.00	\$0.00	\$1,008.56
2008 January	\$956.28	\$237.03	\$10.00	\$0.00	\$0.00	\$1,203.31
February	\$2,422.38	\$258.75	\$102.38	\$0.00	\$0.00	\$2,783.51
March	\$8,285.95	(\$20.00)	\$40.00	\$0.00	\$0.00	\$8,305.95
April	\$587.92	\$0.00	(\$125.00)	\$0.00	\$0.00	\$462.92
May	\$64.52	\$0.00	\$0.00	\$0.00	\$0.00	\$64.52
June	\$405.84	\$60.64	\$0.00	\$0.00	\$0.00	\$466.48
<b>Total</b>	<b>\$1,579,411.40</b>	<b>\$284,928.13</b>	<b>\$26,365.44</b>	<b>\$0.00</b>	<b>\$92,772.70</b>	<b>\$1,983,477.67</b>

### DUAL PLAN SUMMARY

Total Benefits, Case Management and Retention  
July 1, 2006 through June 30, 2007 HMSA Drug Rebate Adjustment

\$1,983,477.67  
(\$19,957.97)

\* \$14.80 medical, \$3.30 drug & \$0.40 vision per subscriber per month was charged for retention in the July 2006 through June 2007 period.

**FURNISHED BY HMSA**

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Dual Plan

For the Period: July 1, 2006 through June 30, 2007

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>VISION BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
July 2006	\$50,933.29	\$10,962.99	\$740.34	\$0.00	\$7,729.00	\$70,365.62
August	\$107,828.42	\$23,234.45	\$2,566.55	\$0.00	\$7,861.70	\$141,491.12
September	\$80,142.02	\$23,560.52	\$1,883.32	\$0.00	\$7,918.00	\$113,503.86
October	\$215,399.35	\$26,056.88	\$2,243.75	\$0.00	\$8,047.50	\$251,747.48
November	\$166,501.31	\$21,086.45	\$1,673.98	\$0.00	\$8,047.50	\$197,309.24
December	\$95,199.51	\$25,212.50	\$1,644.75	\$0.00	\$8,047.50	\$130,104.26
January 2007	\$95,689.02	\$28,308.72	\$3,287.42	\$0.00	\$7,973.50	\$135,258.66
February	\$113,302.78	\$21,309.85	\$1,701.16	\$0.00	\$7,825.50	\$144,139.29
March	\$155,600.42	\$24,671.74	\$1,851.93	\$0.00	\$7,788.50	\$189,912.59
April	\$143,375.19	\$22,683.76	\$2,974.05	\$0.00	\$7,178.00	\$176,211.00
May	\$108,712.45	\$24,871.61	\$1,503.58	\$0.00	\$7,196.50	\$142,284.14
June	\$119,059.99	\$21,846.05	\$1,987.53	\$0.00	\$7,159.50	\$150,053.07
<b>Total</b>	<b>\$1,451,743.75</b>	<b>\$273,805.52</b>	<b>\$24,058.36</b>	<b>\$0.00</b>	<b>\$92,772.70</b>	<b>\$1,842,380.33</b>

**DUAL PLAN SUMMARY**

Total Benefits and Retention\*\*

Estimated Drug Rebate for July 1, 2006 through June 30, 2007

\$1,842,380.33  
(\$13,339.90)

\* \$14.80 medical, \$3.30 drug & \$0.40 vision per subscriber per month was charged for retention in the July 2006 through June 2007 period.

\*\* Does not include Benefits incurred 7/1/06 through 6/30/07 and paid after 6/30/07

**FINAL ACCOUNTING SUMMARY**  
**HAWAII STATE TEACHERS ASSOCIATION**  
**SELF-FUNDED EXPERIENCE SUMMARY (PPP PLAN)**  
**FOR THE PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007**

<b>Retiree Self-Funded Plans</b>
--

<b>RETIREES</b> (includes Medicare Part D Rx)
--

	Medical	Drug *	Drug (EGWP)	Total
<b>Premiums Collected</b>	\$2,946,166	\$1,344,362	\$510,618	\$4,801,146
Claims Incurred & Paid	\$2,437,498	\$1,118,363		\$3,555,861
Actual IBNR (7/07-6/08)	689,592	72,495		762,087
<b>Total Incurred Claims</b>	<b>\$3,127,089</b>	<b>\$1,190,858</b>		<b>\$4,317,948</b>
Part D (CMS) Subsidy	n/a	n/a		\$0
HMSA Retention	\$142,500	\$30,965		\$173,465
Drug Rebate Credit	n/a	(\$78,860)		(\$78,860)
<b>Total Expenses</b>	<b>\$3,269,590</b>	<b>\$1,142,964</b>	<b>\$505,571</b>	<b>\$4,918,124</b>
<b>Surplus/(Deficit)</b>	(\$323,424)	\$201,398	\$5,048	<b><u>(\$116,978)</u></b>
<b>% Surplus/(Deficit)</b>	-11.0%	15.0%	1.0%	<b><u>-2.4%</u></b>

**Average # Subscribers**  
**Per Month**

7/06-12/06:	166	166	0
1/07-6/07:	1,187	770	417

**See Exhibit 1 for calculation of premiums collected.**  
**See Exhibit 2 for claims incurred & paid and retention.**  
**See Exhibit 3 for IBNR claims runout and drug rebate credit.**  
**See Exhibit 4 for EGWP drug expenses.**

\* For all retirees up to December 31, 2006. From January 1, 2007, only for non-medicare retirees or non-medicare dependents of medicare retirees.

**HSTA VEBT  
MONTHLY ENROLLMENT  
07/06 - 06/07**

**Exhibit 1  
(page 1 of 3)**

**RETIREES  
(non-medicare)**

<b>Rates:</b>			
<b>Medical</b>	Single	Family	
	<b>\$210.99</b>	<b>\$585.79</b>	
<b>Drug</b>	<b>113.64</b>	<b>316.50</b>	
<b>Vision</b>	7.67	15.06	
<b>Total</b>	<b>\$332.30</b>	<b>\$917.35</b>	

Month	MEDICAL			DRUG		
	Single	Family	Total	Single	Family	Total
	07/06	28	68	96	28	68
08/06	49	113	162	49	113	162
09/06	49	104	153	49	104	153
10/06	45	119	164	45	119	164
11/06	41	132	173	41	132	173
12/06	47	116	163	47	116	163
01/07	287	427	714	287	427	714
02/07	301	467	768	301	467	768
03/07	315	477	792	315	477	792
04/07	307	469	776	307	469	776
05/07	307	479	786	307	479	786
06/07	300	481	781	300	481	781
<b>Total</b>	<b>2,076</b>	<b>3,452</b>	<b>5,528</b>	<b>2,076</b>	<b>3,452</b>	<b>5,528</b>
<b>Average</b>	<b>173</b>	<b>288</b>	<b>461</b>	<b>173</b>	<b>288</b>	<b>461</b>

**Medical x \$210.99 x \$585.79**

**Drug x \$113.64 x \$316.50**

**Total \$438,015 \$2,022,147 \$2,460,162**

**\$235,917 \$1,092,558 \$1,328,475**

**HSTA VEBT  
MONTHLY ENROLLMENT  
07/06 - 06/07**

**Exhibit 1  
(page 2 of 3)**

**RETIREES  
(medicare)**

<b>Rates:</b>			
<b>Medical</b>	<u>Single</u>	<u>Family</u>	
	\$98.62	\$325.45	
<b>Drug</b>	106.84	352.57	
<b>Vision</b>	7.67	15.06	
<b>Total</b>	<u>\$213.13</u>	<u>\$693.08</u>	

Month	MEDICAL			DRUG (NON-EGWP)		
	Single	Family	Total	Single	Family	Total
	07/06	1	4	5	1	4
08/06	9	4	13	9	4	13
09/06	7	5	12	7	5	12
10/06	9	5	14	9	5	14
11/06	15	5	20	15	5	20
12/06	12	6	18	12	6	18
01/07	242	151	393			
02/07	244	156	400			
03/07	254	161	415			
04/07	256	175	431			
05/07	253	170	423			
06/07	260	178	438			
<b>Total</b>	1,562	1,020	2,582	53	29	82
<b>Average</b>	130	85	215	9	5	14

**Medical**    x \$98.62    **x \$325.45**

**Drug**    x \$106.84    **x \$352.57**

**Total**    \$154,044    \$331,959    \$486,003

**Total**    \$5,663    \$10,225    \$15,887

**HSTA VEBT  
MONTHLY ENROLLMENT  
07/06 - 06/07**

**Exhibit 1  
(page 3 of 3)**

**RETIREEES  
(medicare)**

<b>Rates:</b>	<u>Single</u>	<u>Family</u>
<b>Medical</b>	<b>\$98.62</b>	<b>\$325.45</b>
<b>Drug</b>	<b>106.84</b>	<b>352.57</b>
<b>Vision</b>	<b>7.67</b>	<b>15.06</b>
<b>Total</b>	<b><u>\$213.13</u></b>	<b><u>\$693.08</u></b>

<b>SELF-FUNDED PLANS</b>			
<b>DRUG (EGWP)</b>			
Month	Single	Family	Total
07/06			
08/06			
09/06			
10/06			
11/06			
12/06			
01/07	242	151	393
02/07	244	156	400
03/07	254	161	415
04/07	256	175	431
05/07	253	170	423
06/07	260	178	438
<b>Total</b>	<b>1,509</b>	<b>991</b>	<b>2,500</b>
<b>Average</b>	<b>252</b>	<b>165</b>	<b>417</b>

**Drug x \$106.84 x \$352.57**

<b>Total</b>	<b>\$161,222</b>	<b>\$349,397</b>	<b>\$510,618</b>
--------------	------------------	------------------	------------------

**HAWAII STATE TEACHERS ASSOCIATION**  
**SELF-FUNDED PLAN**

**Retirees**  
**(non-medicare)**

**STATEMENT OF BENEFITS (INCURRED AND PAID)**  
**FOR THE PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007**

	<u>Medical</u>	<u>Drug</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/06	\$ 8,254	\$ 6,372	\$ 14,626
08/06	28,478	24,057	52,535
09/06	48,021	25,782	73,803
10/06	82,000	31,372	113,372
11/06	61,217	31,483	92,699
12/06	14,378	2,978	17,355
01/07	171,548	115,938	287,486
02/07	239,288	139,641	378,929
03/07	349,972	146,033	496,005
04/07	404,478	157,382	561,860
05/07	423,908	158,897	582,805
06/07	310,751	142,441	453,192
<b>Total</b>	<b>\$ 2,142,292</b>	<b>\$ 982,376</b>	<b>\$ 3,124,668</b>

**DOES NOT INCLUDE IBNR**  
*(see Exhibit 3 for IBNR)*

**PLUS: HMSA RETENTION**

07/06	\$ 1,634	\$ 485	\$ 2,119
08/06	2,376	705	3,081
09/06	2,578	765	3,343
10/06	2,865	850	3,715
11/06	2,982	885	3,867
12/06	2,999	890	3,889
01/07	13,413	3,565	16,978
02/07	13,783	3,640	17,423
03/07	13,817	3,630	17,447
04/07	13,750	3,615	17,365
05/07	13,817	3,620	17,437
06/07	13,665	3,590	17,255
<b>Total</b>	<b>\$ 97,679</b>	<b>\$ 26,240</b>	<b>\$ 123,919</b>

**HAWAII STATE TEACHERS ASSOCIATION**  
**SELF-FUNDED PLAN**

**STATEMENT OF BENEFITS (INCURRED AND PAID)**

FOR THE PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

	<u>Medical</u>	<u>Drug (no EGWP)</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>			
07/06	\$ 21	\$ 90	\$ 110
08/06	340	2,361	2,701
09/06	1,855	1,784	3,639
10/06	1,014	2,663	3,677
11/06	650	1,985	2,635
12/06	41,628	26,539	68,167
01/07	3,662	14,867	18,529
02/07	42,830	17,662	60,492
03/07	45,015	12,623	57,638
04/07	50,784	18,788	69,572
05/07	58,162	23,712	81,873
06/07	49,246	12,914	62,159
<b>Total</b>	<b>\$ 295,206</b>	<b>\$ 135,987</b>	<b>\$ 431,193</b>

**DOES NOT INCLUDE IBNR**  
(see Exhibit 3 for IBNR)

**PLUS: HMSA RETENTION**

07/06	\$ 135	\$ 40	\$ 175
08/06	236	70	306
09/06	303	90	393
10/06	253	75	328
11/06	270	80	350
12/06	354	105	459
01/07	6,909	705	7,614
02/07	7,010	700	7,710
03/07	7,128	715	7,843
04/07	7,313	705	8,018
05/07	7,347	725	8,072
06/07	7,566	715	8,281
<b>Total</b>	<b>\$ 44,821</b>	<b>\$ 4,725</b>	<b>\$ 49,546</b>

HAWAII STATE TEACHERS ASSOCIATION

ACTUAL FINAL IBNR

Primary Plan  
Retirees  
(all benefits)

IBNR Runout for  
Contract Year 7/06-6/07

<u>Month Paid</u>	<u>Actual IBNR for 07/06 - 06/07</u>
2007 July	\$ 470,212
August	111,189
September	115,074
October	5,410
November	22,438
December	12,229
2008 January	7,162
February	3,091
March	4,418
April	5,033
May	3,016
June	2,816
Total	<u>\$762,087.06</u>

---

DRUG REBATE CREDIT

HMSA Report received on 01/17/08 Est.	\$ (45,146.97)
Adjustment from HMSA rec'd on 09/03/08	(33,712.78)
<b>Net Credit</b>	<u><u>\$ (78,859.75)</u></u>

# FINAL ACCOUNTING SUMMARY

## HAWAII STATE TEACHERS ASSOCIATION

SELF-FUNDED (100%) DRUG PLAN - MEDICARE PART D (EGWP)

FOR THE PERIOD: JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

### RETIREES

	<u>Drug (EGWP)</u>		<u>Cost per Individual</u>
<b>Premiums Collected</b>	<b>\$1,185,063</b>		
Claims Incurred & Paid	\$1,495,577	÷ 8,422 indiv.	<b>\$ 177.58</b>
Actual IBNR (1/08-4/08)	51,662*	÷ 8,422 indiv.	<b>6.13</b>
Part D (CMS) Subsidy	(447,040)	÷ 8,422 indiv.	<b>(53.08)</b>
<b>Total Incurred Claims</b>	<b>\$1,100,200</b>		<b>\$ 130.63</b>
HMSA Retention	29,224.34	÷ 8,422 indiv.	<b>3.47</b>
Drug Rebate Credit	(\$37,096)**	÷ 8,422 indiv.	<b>(4.40)</b>
<b>Total Expenses</b>	<b>\$1,092,328</b>		<b>\$ 129.70</b>
<b>Surplus/(Deficit)</b>	<b>\$92,735</b>		x 3,898 indiv. (for 1/07-6/07)
<b>% Surplus/(Deficit)</b>	<b>7.8%</b>		<b>\$505,571</b> (for 1/07-6/07)
<b><u>Average # Subscribers</u></b>			
<b><u>Per Month</u></b>			
1/07-6/07:	<b>417</b>	45.9%	
6/07-12/07:	<b>492</b>	54.1%	
<b>Total Subscribers</b>	<b>909</b>	100.0%	
<b>Total # of Individuals</b>	<b>8,422</b>		

\* Any residual claims run-off not applied to the final accounting shall be applied to the subsequent contract period.

\*\* Any residual drug rebate credit amounts shall be applied to the subsequent contract period.

**FURNISHED BY HMSA**

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan - Retirees without Medicare

For the Period: July 1, 2006 through June 30, 2007

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
July 2006	\$20.79	\$89.70	\$0.00	\$174.80	\$285.29
August	\$339.86	\$2,360.78	\$0.00	\$305.90	\$3,006.54
September	\$1,854.54	\$1,784.49	\$0.00	\$393.30	\$4,032.33
October	\$1,014.08	\$2,662.83	\$0.00	\$327.75	\$4,004.66
November	\$649.95	\$1,984.86	\$0.00	\$349.60	\$2,984.41
December	\$14,377.82	\$2,977.65	\$0.00	\$3,889.30	\$21,244.77
January 2007	\$171,547.60	\$115,938.05	\$0.00	\$16,977.60	\$304,463.25
February	\$239,287.81	\$139,641.43	\$0.00	\$17,423.30	\$396,352.54
March	\$349,972.19	\$146,032.61	\$0.00	\$17,447.00	\$513,451.80
April	\$404,477.74	\$157,382.41	\$0.00	\$17,364.60	\$579,224.75
May	\$423,908.24	\$158,896.86	\$0.00	\$17,437.00	\$600,242.10
June	\$310,750.92	\$142,441.17	\$0.00	\$17,255.35	\$470,447.44
<b>Total</b>	<b>\$1,918,201.54</b>	<b>\$872,192.84</b>	<b>\$0.00</b>	<b>\$109,345.50</b>	<b>\$2,899,739.88</b>

DUAL PLAN SUMMARY

Total Benefits and Retention**	\$2,899,739.88
Estimated Drug Rebate for July 1, 2006 through June 30, 2007	(33,395.49)

\* \$14.80 medical, \$3.30 drug & \$0.40 vision per subscriber per month was charged for retention in the July 2006 through June 2007 period.

\*\* Does not include Benefits incurred 7/1/06 through 6/30/07 and paid after 6/30/07.

**FURNISHED BY HMSA**

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan (Retirees without Medicare)

For the Period: July 1, 2006 through June 30, 2007

Paid: July 1, 2006 through June 30, 2008

<u>MONTH**</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2006 July	\$20.79	\$89.70	\$0.00	\$174.80	\$285.29
August	\$339.86	\$2,360.78	\$0.00	\$305.90	\$3,006.54
September	\$1,854.54	\$1,784.49	\$0.00	\$393.30	\$4,032.33
October	\$1,014.08	\$2,662.83	\$0.00	\$327.75	\$4,004.66
November	\$649.95	\$1,984.86	\$0.00	\$349.60	\$2,984.41
December	\$14,377.82	\$2,977.65	\$0.00	\$3,889.30	\$21,244.77
2007 January	\$171,547.60	\$115,938.05	\$0.00	\$16,977.60	\$304,463.25
February	\$239,287.81	\$139,641.43	\$0.00	\$17,423.30	\$396,352.54
March	\$349,972.19	\$146,032.61	\$0.00	\$17,447.00	\$513,451.80
April	\$404,477.74	\$157,382.41	\$0.00	\$17,364.60	\$579,224.75
May	\$423,908.24	\$158,896.86	\$0.00	\$17,437.00	\$600,242.10
June	\$310,750.92	\$142,441.17	\$0.00	\$17,255.35	\$470,447.44
July	\$339,795.65	\$63,747.57	\$0.00	\$0.00	\$403,543.22
August	\$91,755.18	\$26.30	\$0.00	\$0.00	\$91,781.48
September	\$107,763.11	(\$1,214.74)	\$0.00	\$0.00	\$106,548.37
October	\$2,578.05	(\$91.80)	\$0.00	\$0.00	\$2,486.25
November	\$18,799.04	\$69.88	\$0.00	\$0.00	\$18,868.92
December	\$10,572.52	\$0.00	\$0.00	\$0.00	\$10,572.52
2008 January	\$6,329.81	\$0.00	\$0.00	\$0.00	\$6,329.81
February	\$2,371.01	\$0.00	\$0.00	\$0.00	\$2,371.01
March	\$3,501.80	\$56.73	\$0.00	\$0.00	\$3,558.53
April	\$3,495.15	\$89.64	\$0.00	\$0.00	\$3,584.79
May	\$1,998.29	\$19.11	\$0.00	\$0.00	\$2,017.40
June	\$1,037.72	\$0.00	\$0.00	\$0.00	\$1,037.72
<b>Total</b>	<b>\$2,508,198.87</b>	<b>\$934,895.53</b>	<b>\$0.00</b>	<b>\$109,345.50</b>	<b>\$3,552,439.90</b>

**PRIMARY PLAN (RETIREES WITHOUT MEDICARE) SUMMARY**

Total Benefits, Case Management and Retention	\$3,552,439.90
July 1, 2006 through June 30, 2007 HMSA Drug Rebate Adjustment	(\$24,716.66)

\* \$16.85 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2006 through June 2007 period.

\*\* 7/06 - 11/06 reflects experience for group numbers 99252, 99253, & 99281.  
12/06 - 6/08 reflects experience for group numbers 99254 & 99255.

**FURNISHED BY HMSA**

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan – Retirees with Medicare

For the Period: July 1, 2006 through June 30, 2007

Note: Includes Non-Medicare dependents of Medicare Retirees
---

<u>MONTH</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
July 2006	\$8,253.59	\$6,371.94	\$0.00	\$2,119.45	\$16,744.98
August	\$28,478.46	\$24,056.71	\$0.00	\$3,080.85	\$55,616.02
September	\$48,021.03	\$25,782.13	\$0.00	\$3,343.05	\$77,146.21
October	\$81,999.92	\$31,371.98	\$0.00	\$3,714.50	\$117,086.40
November	\$61,216.60	\$31,482.82	\$0.00	\$3,867.45	\$96,566.87
December	\$41,628.17	\$26,539.15	\$0.00	\$458.85	\$68,626.17
January 2007	\$3,661.57	\$14,867.16	\$0.00	\$7,613.50	\$26,142.23
February	\$42,830.43	\$17,661.75	\$0.00	\$7,709.60	\$68,201.78
March	\$45,014.79	\$12,623.31	\$0.00	\$7,842.55	\$65,480.65
April	\$50,784.11	\$18,788.29	\$0.00	\$8,017.90	\$77,590.30
May	\$58,161.74	\$23,711.51	\$0.00	\$8,071.60	\$89,944.85
June	\$49,245.59	\$12,913.50	\$0.00	\$8,280.65	\$70,439.74
<b>Total</b>	<b>\$519,296.00</b>	<b>\$246,170.25</b>	<b>\$0.00</b>	<b>\$64,119.95</b>	<b>\$829,586.20</b>

**PRIMARY PLAN SUMMARY**

Total Benefits and Retention\*\*

Estimated Drug Rebate for July 1, 2006 through June 30, 2007

\$829,586.20  
(11,751.48)

\* \$16.85 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2006 through June 2007 period.

\*\* Does not include Benefits incurred 7/1/06 through 6/30/07 and paid after 6/30/07.

**FURNISHED BY HMSA**

Hawaii State Teacher's Association VEBA

Annual Accounting Report

Primary Plan (Retirees with Medicare)

For the Period: July 1, 2006 through June 30, 2007

Paid: July 1, 2006 through June 30, 2008

Note: Includes Non-Medicare dependents of Medicare Retirees

<u>MONTH**</u>	<u>MEDICAL BENEFITS</u>	<u>DRUG BENEFITS</u>	<u>CASE MANAGEMENT</u>	<u>RETENTION *</u>	<u>TOTAL</u>
2006 July	\$8,253.59	\$6,371.94	\$0.00	\$2,119.45	\$16,744.98
August	\$28,478.46	\$24,056.71	\$0.00	\$3,080.85	\$55,616.02
September	\$48,021.03	\$25,782.13	\$0.00	\$3,343.05	\$77,146.21
October	\$81,999.92	\$31,371.98	\$0.00	\$3,714.50	\$117,086.40
November	\$61,216.60	\$31,482.82	\$0.00	\$3,867.45	\$96,566.87
December	\$41,628.17	\$26,539.15	\$0.00	\$458.85	\$68,626.17
2007 January	\$3,661.57	\$14,867.16	\$0.00	\$7,613.50	\$26,142.23
February	\$42,830.43	\$17,661.75	\$0.00	\$7,709.60	\$68,201.78
March	\$45,014.79	\$12,623.31	\$0.00	\$7,842.55	\$65,480.65
April	\$50,784.11	\$18,788.29	\$0.00	\$8,017.90	\$77,590.30
May	\$58,161.74	\$23,711.51	\$0.00	\$8,071.60	\$89,944.85
June	\$49,245.59	\$12,913.50	\$0.00	\$8,280.65	\$70,439.74
July	\$57,116.98	\$9,551.34	\$0.00	\$0.00	\$66,668.32
August	\$19,407.45	\$0.00	\$0.00	\$0.00	\$19,407.45
September	\$8,415.42	\$110.00	\$0.00	\$0.00	\$8,525.42
October	\$2,898.44	\$25.00	\$0.00	\$0.00	\$2,923.44
November	\$3,568.98	\$0.00	\$0.00	\$0.00	\$3,568.98
December	\$1,549.94	\$106.18	\$0.00	\$0.00	\$1,656.12
2008 January	\$832.49	\$0.00	\$0.00	\$0.00	\$832.49
February	\$720.38	\$0.00	\$0.00	\$0.00	\$720.38
March	\$859.46	\$0.00	\$0.00	\$0.00	\$859.46
April	\$1,448.18	\$0.00	\$0.00	\$0.00	\$1,448.18
May	\$998.46	\$0.00	\$0.00	\$0.00	\$998.46
June	\$1,778.35	\$0.00	\$0.00	\$0.00	\$1,778.35
<b>Total</b>	<b>\$618,890.53</b>	<b>\$255,962.77</b>	<b>\$0.00</b>	<b>\$64,119.95</b>	<b>\$938,973.25</b>

PRIMARY PLAN (RETIREES WITH MEDICARE) SUMMARY

Total Benefits, Case Management and Retention  
July 1, 2006 through June 30, 2007 HMSA Drug Rebate Adjustment

\$938,973.25  
(\$8,996.12)

\* \$16.85 medical & \$5.00 drug per subscriber per month was charged for retention in the July 2006 through June 2007 period.

\*\* 7/06 - 11/06 reflects experience for group numbers 99254 & 99255.

12/06 - 6/08 reflects experience for group numbers 99252, 99253, & 99281.