



NEIL ABERCROMBIE  
GOVERNOR

**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

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**ADMINISTRATOR**  
BARBARA CORIELL

May 3, 2011

**ADDENDUM 6**  
**TO**  
**REQUEST FOR PROPOSALS**  
**No. 11-03**

**TO FURNISH DENTAL BENEFITS**

HSTA Active and Retiree Claims Experience (see Attachment – 18 pages)

**HDS (Dental)  
Plans**

**INTERIM ACCOUNTING SUMMARY**

**HAWAII STATE TEACHERS ASSOCIATION**

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

*Includes 4 months of actual  
IBNR and an estimate for  
the remaining 8 months.*

	<u>Actives Primary</u>
Premiums Collected	\$7,673,133
Claims Incurred & Paid	\$6,869,813
Actual IBNR (7/09 - 10/09)	424,074
Est. IBNR (11/09 - 6/10) <sup>1</sup>	22,500
<b>Est. Total Incurred Claims</b>	<u><b>\$7,316,387</b></u>
HDS Retention	<u>380,999</u>
<b>Est. Total Expenses</b>	<b>\$7,697,386</b>
<b>Est. Surplus/(Deficit)</b>	<u><u><b>(\$24,253)</b></u></u>
<b>Est. % Surplus/(Deficit)</b>	-0.3%
 <u><b>Average # Subscribers Per Month</b></u>	 11,333

**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 6.5% of claims incurred & paid.

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

	<u>Actives</u> <u>Primary</u>
<b>Benefits Incurred &amp; Paid</b>	\$ 510,062
07/08	694,161
08/08	465,554
09/08	666,557
10/08	422,802
11/08	417,407
12/08	896,597
01/09	460,879
02/09	489,290
03/09	627,834
04/09	570,005
05/09	648,665
06/09	<hr/>
Total	\$ 6,869,813

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

<b>HDS RETENTION</b>	\$ 31,581
07/08	31,486
08/08	31,648
09/08	31,825
10/08	31,867
11/08	31,861
12/08	31,746
01/09	31,794
02/09	31,802
03/09	31,839
04/09	31,805
05/09	31,744
06/09	<hr/>
Total	\$ 380,999

HSTA VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION TRUST

HDS (SELF-FUNDED) DENTAL

ACTUAL INTERIM IBNR

Actives - Primary

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

<u>Month Paid</u>		Estimated IBNR for <u>07/08 - 06/09</u>	Actual IBNR for <u>07/08 - 06/09</u>	
2009	July	\$ 380,000	\$ 363,320	
	August	40,000	36,740	
	September	15,000	14,857	
	October	7,000	9,157	
	November	2,500	<b>To Be Completed</b>	
	December	1,000		
2010	January	700		
	February	500		
	March	300		
	April	0		
	May	0		
	June	0		
	<b>Total</b>	<b>\$ 447,000</b>		<b>\$ 424,074</b>
Claims Incurred & Paid 07/08 - 06/09:		\$ 6,869,813		\$ 6,869,813
IBNR as a percentage of paid claims:		6.5%	6.2%	

**HSTA VEBA TRUST**  
**MONTHLY ENROLLMENT \***  
**07/08 - 06/09**  
**ACTIVES - Primary**

**PREMIUMS COLLECTED**  
**(DENTAL)**

<b>Rates:</b>	<u>Single</u>	<u>Family</u>
<b>HDS Dental</b>	<b>\$28.06</b>	<b>\$84.19</b>
Employer (CBA)	\$16.84	\$50.51
Employee Share	\$11.22	\$33.68

Month	<b>DENTAL ENROLLMENT</b>		
	Single	Family	Total
07/08	5,566	5,706	11,272
08/08	5,432	5,559	10,991
09/08	5,575	5,686	11,261
10/08	5,587	5,701	11,288
11/08	5,690	5,767	11,457
12/08	5,651	5,774	11,425
01/09	5,636	5,744	11,380
02/09	5,615	5,704	11,319
03/09	5,694	5,797	11,491
04/09	5,633	5,767	11,400
05/09	5,610	5,751	11,361
06/09	5,584	5,763	11,347
<b>Total</b>	<b>67,273</b>	<b>68,719</b>	<b>135,992</b>
<b>Average</b>	<b>5,606</b>	<b>5,727</b>	<b>11,333</b>

**Dental Rate**      **x \$28.06**                      **x \$84.19**

<b>Total Dental</b>	<b>\$1,887,680.38</b>	<b>\$5,785,452.61</b>	<b>\$7,673,132.99</b>
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\* Based on validated enrollment for the period 7/08-6/09 from TPA, including retros.  
 Also includes COBRA enrollment based on HDS's report.

# INTERIM ACCOUNTING SUMMARY

HDS (Dental)  
Plans

## HAWAII STATE TEACHERS ASSOCIATION

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

Updated with 3 months of  
actual IBNR and an estimate  
for the remaining 9 months

	<u>Actives Primary</u>	<u>Actives Dual</u>	<u>Retirees</u>	<u>Total</u>
<b>Premiums Collected</b>	<b>\$7,057,584</b>	<b>\$243,753</b>	<b>\$816,929</b>	<b>\$8,118,266</b>
Claims Incurred & Paid	\$6,588,918	\$180,383	\$877,215	\$7,646,515
Actual IBNR (7/08 - 9/08)	365,959	11,621	36,310	413,890
Est. IBNR (10/08 - 6/09) <sup>1</sup>	95,300	1,000	25,100	121,400
<b>Est. Total Incurred Claims</b>	<b>\$7,050,177</b>	<b>\$193,004</b>	<b>\$938,625</b>	<b>\$8,181,805</b>
HDS Retention	379,980	13,668	47,730	441,377
<b>Est. Total Expenses</b>	<b>\$7,430,156</b>	<b>\$206,671</b>	<b>\$986,355</b>	<b>\$8,623,182</b>
<b>Est. Surplus/(Deficit)</b>	<b>(\$372,572)</b>	<b>\$37,082</b>	<b>(\$169,425)</b>	<b><u>(\$504,916)</u></b>
<b>Est. % Surplus/(Deficit)</b>	<b>-5.3%</b>	<b>15.2%</b>	<b>-20.7%</b>	<b><u>-6.2%</u></b>
<b><u>Average # Subscribers</u></b>				
<b><u>Per Month</u></b>	<b>11,137</b>	<b>450</b>	<b>1,576</b>	<b>13,163</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 7.0% of incurred & paid for all plans.

HSTA VEBA TRUST  
MONTHLY ENROLLMENT

Exhibit 1  
(page 1 of 3)

07/07 - 06/08

ACTIVES - Primary

PREMIUMS COLLECTED  
(DENTAL)

<b>Rates:</b>	<u>Single</u>	<u>Family</u>
<b>HDS Dental</b>	<b>\$26.35</b> ✓	<b>\$79.05</b> ✓
Employer (CBA)	\$15.81 ✓	\$47.43
Employee Share	\$10.54	\$31.62

Month	DENTAL ENROLLMENT		
	Single	Family	Total
07/07	5,444	5,604	11,048
08/07	5,391	5,559	10,950
09/07	5,524	5,559	11,083
10/07	5,580	5,574	11,154
11/07	5,599	5,592	11,191
12/07	5,581	5,610	11,191
01/08	5,573	5,576	11,149
02/08	5,562	5,583	11,145
03/08	5,581	5,586	11,167
04/08	5,583	5,607	11,190
05/08	5,568	5,626	11,194
06/08	5,563	5,621	11,184
Total	66,549	67,097	133,646
Average	5,546	5,591	11,137

Dental Rate      x \$26.35                      x \$79.05

<b>Total Dental</b>	<b>\$1,753,566.15</b>	<b>\$5,304,017.85</b>	<b>\$7,057,584.00</b>
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**HSTA VEBA TRUST**  
**MONTHLY ENROLLMENT**

**07/07 - 06/08**

**PREMIUMS COLLECTED**  
**(DENTAL)**

**ACTIVES - Dual**

<b>Rates:</b>	<u>Single</u>	<u>Family</u>
<b>HDS Dental</b>	<b>\$16.72</b>	<b>\$48.34</b>
Employer (CBA)	\$10.03	\$29.00
Employee Share	\$6.69	\$19.34

Month	<b>DENTAL ENROLLMENT</b>		
	Single	Family	Total
07/07	50	409	459
08/07	46	403	449
09/07	45	407	452
10/07	46	410	456
11/07	46	410	456
12/07	45	409	454
01/08	44	407	451
02/08	44	407	451
03/08	44	405	449
04/08	44	401	445
05/08	44	394	438
06/08	44	393	437
<b>Total</b>	<b>542</b>	<b>4,855</b>	<b>5,397</b>
<b>Average</b>	<b>45</b>	<b>405</b>	<b>450</b>

**Dental Rate**      **x \$16.72**      **x \$48.34**

<b>Total Dental</b>	<b>\$9,062.24</b>	<b>\$234,690.70</b>	<b>\$243,752.94</b>
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HSTA VEBA TRUST  
MONTHLY ENROLLMENT

Exhibit 1  
(page 3 of 3)

07/07 - 06/08

PREMIUMS COLLECTED  
(DENTAL)

RETIREES

Rates:                      Single                      Family  
HDS Dental                      \$27.50                      \$56.30

Month	DENTAL ENROLLMENT		
	Single	Family	Total
07/07	665	794	1,459
08/07	683	829	1,512
09/07	697	841	1,538
10/07	705	846	1,551
11/07	707	849	1,556
12/07	711	852	1,563
01/08	713	852	1,565
02/08	737	885	1,622
03/08	739	887	1,626
04/08	742	891	1,633
05/08	743	896	1,639
06/08	751	891	1,642
Total	8,593	10,313	18,906
Average	716	859	1,576

Dental Rate                      x \$27.50                      x \$56.30

<b>Total Dental</b>	<b>\$236,307.50</b>	<b>\$580,621.90</b>	<b>\$816,929.40</b>
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**HAWAII STATE TEACHERS ASSOCIATION**  
**SELF-FUNDED DENTAL (HDS)**  
**STATEMENT OF BENEFITS (INCURRED AND PAID)**  
**FOR THE PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008**

	<u>Actives Primary</u>	<u>Actives Dual</u>	<u>Retirees</u>	<u>Total</u>
<b>Benefits Incurred &amp; Paid</b>				
07/07	\$ 453,883	\$ 11,564	\$ 46,616	\$ 465,447
08/07	676,027	21,409	94,728	697,436
09/07	476,714	14,946	77,719	491,660
10/07	514,535	13,656	67,860	528,191
11/07	498,319	13,069	85,187	511,387
12/07	415,688	12,470	63,527	428,159
01/08	704,682	19,894	58,448	724,577
02/08	601,854	16,839	91,200	618,693
03/08	527,262	12,803	74,634	540,065
04/08	549,528	12,697	65,461	562,225
05/08	576,281	14,815	90,807	591,096
06/08	594,144	16,223	61,029	610,367
<b>Total</b>	<b>\$ 6,588,918</b>	<b>\$ 180,383</b>	<b>\$ 877,215</b>	<b>\$ 6,769,301</b>

**DOES NOT INCLUDE IBNR**

*(see Exhibit 3 for IBNR)*

**HDS RETENTION**

07/07	\$ 30,685	\$ 1,150	\$ 3,720	\$ 35,555
08/07	31,511	1,150	3,793	36,454
09/07	32,178	1,180	3,873	37,230
10/07	31,755	1,160	3,898	36,812
11/07	31,794	1,153	3,915	36,862
12/07	31,808	1,155	3,933	36,896
01/08	31,693	1,143	4,058	36,893
02/08	31,690	1,133	4,083	36,905
03/08	31,674	1,133	4,090	36,896
04/08	31,763	1,110	4,110	36,983
05/08	31,735	1,103	4,125	36,963
06/08	31,693	1,100	4,135	36,928
<b>Total</b>	<b>\$ 379,980</b>	<b>\$ 13,668</b>	<b>\$ 47,730</b>	<b>\$ 441,377</b>

HSTA VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION TRUST

HDS (SELF-FUNDED) DENTAL

ACTUAL INTERIM IBNR

Actives -  
Primary

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

<u>Month Paid</u>	<u>Actual IBNR for 07/07 - 06/08</u>	
2008 July	\$ 313,515	
August	39,847	
September	12,597	
October	<b>To Be Completed</b>	
November		
December		
2009 January		
February		
March		
April		
May		
June		
Total		\$ 365,959

HSTA VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION TRUST

HDS (SELF-FUNDED) DENTAL

ACTUAL INTERIM IBNR

Actives -  
Dual

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

<u>Month Paid</u>		Actual IBNR for <u>07/07 - 06/08</u>	
2008	July	\$ 8,191	
	August	2,200	
	September	1,230	
	October	<b>To Be Completed</b>	
	November		
	December		
2009	January		
	February		
	March		
	April		
	May		
	June		
	Total		\$11,621

**HSTA VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION TRUST**

**HDS (SELF-FUNDED) DENTAL**

**ACTUAL INTERIM IBNR**

**Retirees**

**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	\$ 30,396	
	August	3,785	
	September	2,129	
	October	<b>To Be Completed</b>	
	November		
	December		
2009	January		
	February		
	March		
	April		
	May		
	June		
	Total		\$ 36,310



**PRELIMINARY  
GROUP EXPERIENCE REPORT**  
For the Period July 1, 2006 to June 30, 2007

Group Number: 2800  
 Division Number:  
 Group Name: HSTA VOLUNTARY EMPLOYEES BENEFICIARY - ACTIVE  
 Division Name:  
 Contract Period: July 1, 2006 to June 30, 2007

**Month-To-Month Statistics**

	No. of <u>Subscribers*</u>	Premiums <u>Received</u>	Claims Paid	
			<u>Prior</u>	<u>Current</u>
<b>Current Contract</b>				
July-06	10,968	\$ 589,881	\$ 206,976	\$ 576,383
August-06	11,296	587,081	16,290	565,996
September-06	11,165	600,317	8,592	584,713
October-06	11,203	599,450	3,847	547,694
November-06	11,231	599,929	2,733	481,673
December-06	11,237	598,497	2,232	572,134
January-07	11,214	598,028	1,944	706,435
February-07	11,255	595,998	1,200	490,440
March-07	11,252	599,359	1,679	638,136
April-07	11,257	597,205	823	537,331
May-07	11,236	599,753	1,295	463,122
June-07	11,238	598,246	89	730,252
	134,552	\$ 7,163,744	\$ 247,700	\$ 6,894,309

\* Amount is the number of subscribers currently reflected as eligible to receive dental benefits for each particular month. The number of subscribers may not correspond with the related Premiums Received amounts due to retroactivity in which premiums are included in the month of receipt.

# **INTERIM ACCOUNTING SUMMARY**

## **HAWAII STATE TEACHERS ASSOCIATION**

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

<i>Includes 4 months of actual IBNR and an estimate for the remaining 8 months.</i>
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	<b>Retirees</b>
<b>Premiums Collected</b>	<b>\$1,033,811</b>
Claims Incurred & Paid	\$1,045,527
Actual IBNR (7/09 - 10/09)	51,214
Est. IBNR (11/09 - 6/10) <sup>1</sup>	11,500
<b>Est. Total Incurred Claims</b>	<b>\$1,108,241</b>
HDS Retention	56,345
<b>Est. Total Expenses</b>	<b>\$1,164,586</b>
<b>Est. Surplus/(Deficit)</b>	<b>(\$130,776)</b>
<b>Est. % Surplus/(Deficit)</b>	-12.6%
 <b><u>Average # Subscribers</u></b> <b><u>Per Month</u></b>	 <b>1,881</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 6.0% of claims incurred and paid.

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

	<u>Retirees</u>
<b>Benefits Incurred &amp; Paid</b>	
07/08	\$ 48,727
08/08	118,559
09/08	84,891
10/08	102,468
11/08	77,102
12/08	84,193
01/09	95,081
02/09	80,739
03/09	90,307
04/09	85,395
05/09	97,289
06/09	80,776
	<hr/>
Total	\$ 1,045,527

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

<b>HDS RETENTION</b>	\$ 4,505
07/08	4,573
08/08	4,590
09/08	4,643
10/08	4,655
11/08	4,668
12/08	4,743
01/09	4,768
02/09	4,783
03/09	4,793
04/09	4,798
05/09	4,830
06/09	<hr/>
Total	\$ 56,345

**HSTA VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION TRUST**

**HDS (SELF-FUNDED) DENTAL**

**ACTUAL INTERIM IBNR**

**Retirees**

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

<u>Month Paid</u>	<u>Estimated IBNR for 07/08 - 06/09</u>	<u>Actual IBNR for 07/08 - 06/09</u>	
2009 July	\$ 45,000	\$ 42,674	
August	9,000	3,928	
September	3,000	2,897	
October	2,000	1,715	
November	1,000	<b>To Be Completed</b>	
December	700		
2010 January	300		
February	0		
March	0		
April	0		
May	0		
June	0		
<b>Total</b>	<b>\$ 61,000</b>		<b>\$ 51,214</b>
Claims Incurred & Paid 07/08 - 06/09:	\$ 1,045,527		\$ 1,045,527
IBNR as a percentage of paid claims:	5.8%	4.9%	





Hawaii Dental Service  
GROUP UTILIZATION REPORT  
BY MAJOR CATEGORY

Group: 2601 HSTA-RETIRES  
Period of: 7/1/08 - 6/30/09  
Data as of: 12/16/2009

Type of Service	Employees			Spouses			Children			Total			
	Submitted Amount	No.	HDS Payment	Submitted Amount	No.	HDS Payment	Submitted Amount	No.	HDS Payment	Submitted Amount	No.	HDS Payment	%
Diagnostic	\$278,061	6,517	\$193,289	\$129,891	2,973	\$75,156	\$18,008	410	\$11,571	\$423,959	9,900	\$280,016	75.52%
Preventive	\$226,027	3,086	\$168,117	\$104,243	1,415	\$84,520	\$16,438	272	\$10,308	\$346,707	4,773	\$242,945	22.14%
Restorative	\$649,023	2,009	\$223,407	\$321,641	1,091	\$103,058	\$21,764	124	\$6,495	\$892,428	3,224	\$332,960	30.34%
Endodontics	\$116,563	195	\$40,573	\$60,854	113	\$15,530	\$3,911	10	\$1,518	\$181,328	318	\$57,620	5.25%
Periodontics	\$119,471	481	\$34,946	\$77,264	291	\$17,984	\$590	4	\$257	\$197,325	776	\$53,186	4.85%
Prosthetic Removable	\$48,562	69	\$10,680	\$19,720	24	\$6,284				\$69,282	93	\$16,944	1.54%
Prosthetic Fixed	\$268,948	277	\$43,952	\$98,119	93	\$18,143				\$367,068	370	\$62,095	5.66%
Oral Surgery	\$45,391	207	\$12,597	\$24,209	136	\$6,178	\$25,125	64	\$11,047	\$94,725	407	\$29,822	2.72%
Orthodontics	\$3,442	7	\$0	\$1,752	3	\$0				\$5,194	10	\$0	0.00%
Adjunctive Svc	\$34,731	304	\$13,920	\$16,623	152	\$7,095	\$3,941	23	\$692	\$55,296	479	\$21,707	1.98%
Other	\$44,473	3,577	\$0	\$22,259	1,746	\$0	\$2,529	182	\$0	\$69,260	5,505	\$0	0.00%
<b>Cumulative Total</b>	<b>\$1,853,894</b>	<b>16,729</b>	<b>\$741,476</b>	<b>\$878,575</b>	<b>8,037</b>	<b>\$313,927</b>	<b>\$92,305</b>	<b>1,089</b>	<b>\$41,896</b>	<b>\$2,802,573</b>	<b>25,855</b>	<b>\$1,097,294</b>	<b>100.00%</b>

Estimated IBNR is not included.