

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Wednesday, March 31, 2010

TRUSTEES PRESENT

Mr. George Kahooahano, Chairperson	Mr. Darwin Ching
Mr. Stanley Shiraki, Secretary-Treasurer	Dr. J.N. Musto
Ms. Barbara Annis	Mr. Randy Perreira
Mr. Ron Boyer	

TRUSTEES ABSENT

Mr. Bobby Lee, Vice Chairperson
Ms. Marie Laderta

ATTORNEY

Mr. Russell Suzuki, Deputy Attorney General

EUTF STAFF

Ms. Sandi Yahiro, Acting Assistant Administrator	Mr. Timothy Nimmer, Consultant (via conference call)
Ms. Maria Quartero	Ms. Joni Tamayo-Wilson, Consultant
Ms. Kathleen Shiroma	Mr. Rod Tam, Consultant
Ms. Donna Tonaki	
Ms. Nicole Wong	

OTHERS PRESENT

Ms. Lynette Arakawa, HDS	Ms. Doreen Kuroda, DHRD
Ms. Nikki Bassett, informedRx	Ms. Alice Kotare, HSTA-R
Ms. Monica Engle, VSP	Mr. Blasé Liu, Royal State
Mr. Cory Fujii, CVS	Mr. Harris Nakamoto, HMA
Ms. Kelly Go, Molokai Drugs	Mr. Lawrence Nishihara, Akamai Benefit
Ms. Susan Goya, HGEA-R	Mr. Andrew Pereira, KHON 2 News
Ms. Wendy Hamada, HMA	Mr. Tony Saguibo, HMSA
Ms. Vanelle Hirayasu, HMA	Mr. Jerry Shipken, iformedRx
Ms. Fran Kagawa, HGEA-R	Ms. Kimberly Svetin, Molokai Drugs
Ms. Bonny Kahalewai, Standard Insurance	Mr. Phil Takaba, HMSA
Mr. Jack Katahira, HGEA-R	Ms. Jennifer Tobin, C&C/DHR
Ms. Ruth Kim, HSRTA	Ms. Valerie Trechter, Kaiser Permanente

I. CALL TO ORDER

The regular meeting of the Board of Trustees was called to order at 9:05 a.m. by Trustee George Kahooahano, Chairperson, in EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Thursday, March 31, 2010.

II. APPROVAL OF MINUTES

The Board reviewed the draft minutes for December 9, 2009.

There being no objections by the Trustees, the minutes for December 9, 2009 were approved as circulated.

III. REPORTS

A. EUTF Staff Reports

1. March Update

a. Update on Implementation of Dependent Eligibility Audit

Overview by Ms. Sandi Yahiro regarding the update on implementation of the dependent eligibility audit. Discussion held by Trustees, staff and deputy attorney general regarding the total population reached, other ways to contact those who did not respond, and the impact if the EUTF terminates employees/retirees who did not respond to the audit. Mr. Russell Suzuki stated that a suggestion was made to go through the departments to try a last effort to contact employees and said it is a good idea. Under Section 92-F—19(a)(1) it says you can share information with other agencies if you need to do so and that it is another step to make sure the EUTF is not taking away any rights from an individual before the EUTF does something. There is always going to be a possibility that someone may have not gotten notice then the EUTF terminates them and they incurred medical bills and is going to sue the EUTF to cover the costs. The Board should do the best they can. Perhaps as a final effort before terminating anyone after the agencies have attempted to contact their employees, is to have the Attorney General's office send a pre-termination notification. Discussion held by Trustees, staff and deputy attorney general regarding appeals, EUTF staffing and the Board's fiduciary duty to recover monies owed if dependents are ineligible. Mr. Suzuki stated that if the EUTF could prove that the dependents are ineligible, if there is fraud involved and the amount is large, the EUTF may be looking at a collection agency to attempt to recover some of the monies. The problem since this is the first time an audit has been done is whether or not the EUTF can go back or if it is too late to recover backwards. This audit does establish a baseline determination now that the EUTF knows, in the past it was a presumption dependents were eligible and there were no verification when an employee got hired and listed dependents. Discussion held by Trustees, staff, deputy attorney general regarding what impact the new federal health care reform law would have on the dependent eligibility audit. Aon will be doing a presentation today on the new federal health care reform law.

Chair Kahooohanohano stated that in discussions with Aon they are going to have to do further research on the effects of the new federal bill because it has over 2,000 pages to review. Mr. Timothy Nimmer stated that in regards to the question on how the new federal health care reform would affect the dependent eligibility audit, while it has not been identified with the details of legislation, Aon does have direction on how dependents would qualify for coverage. Those dependents under the age of 26 will need to meet the following conditions: unmarried, not be eligible for coverage elsewhere, and must not be a grandchild. Discussion held by Trustees, staff and deputy attorney general regarding concerns in requiring social security numbers and

if it would be better to require just the last four digits of the social security that may get more people to comply. Chair Kahooohanohano requested that further information be provided to the Board regarding the legality of requiring social security numbers.

There being no objections by the Trustees, the item to terminate employee-beneficiaries will be deferred until the next Board meeting.

There being no objections by the Trustees, the EUTF staff will send a final notification through the Departmental Personnel Officers to employees.

Further discussion held by Trustees and a member of the public regarding notices to retirees. Chair Kahooohanohano stated that the EUTF staff will check with Segal if retirees can be separated and if so, additional work may need to be done to get final notices to retirees.

b. Update on COBRA Processing

Overview by Ms. Yahiro regarding the update on COBRA processing and notifications to employees.

c. Open Enrollment Schedule

Chair Kahooohanohano asked if the Board would agree to discuss this item later on the agenda if the Board agrees to make a decision on rates and benefits. Dr. Musto stated he will neither vote for an open enrollment in July nor plan increases because he believes that the Board cannot act on those pending whether BU 05 will return to the EUTF that will not be known until the end of May 2010. It is not realistic for the Board to make that plan now. HSTA's return to the EUTF's coverage would have a significant impact. The only thing that is reasonable at this time is to push the open enrollment to January 1, 2011. It will give the Board enough time to get more resources, even if temporary, to assist the EUTF staff to catch up, and to discuss interim steps at that time. Trustee Annis stated she does not oppose to that except for the issue of money. Trustee Annis asked Aon how long the cash would hold out because she does not think it would until December. In regards to the question on how the EUTF looks financially and if the EUTF can afford to keep rates stable until the end of the year, Mr. Nimmer stated that as of December 31, 2009, there is a line item on the financial report that identifies the unrestricted assets. That number tells Aon that the financial position within the plan, with that number being negative, that means we do not have our IBNR reserves fully funded. Mr. Nimmer explained the definition of IBNR and gave an example. By definition, that means the plan is insolvent. Meaning the EUTF has more obligations that need to be paid as of December 31, 2009 than there will be money to pay them. The good news is that January 2010 looks much better. So the plan would move, more than

likely, back into a solvent position in January based on the actual experience in January. Can the EUTF sustain the plan without any changes in plan benefits or premium levels to December 31, 2010? Mr. Nimmer stated that answer would be no. His professional opinion as an actuary to the plan is that the EUTF would become insolvent before the end of 2010. As of December 31, 2009, from an actuarial perspective, the plan is considered insolvent. Trustee Annis stated that there are bills moving forward in the legislature that would remove the mail order mandate for maintenance drugs and the reference based pricing that would have a significant effect on cost trend rates. Mr. Nimmer stated that Trustee Annis is correct. They are built within the current claims costs as well as into the rates. We have taken the discounts as a lower cost due to the reference based pricing and prescription drug mail program. If those two items were removed, rates would need to be increased to offset those things. Trustee Annis asked if Aon knew what the percentage would be. Mr. Nimmer stated it would be approximately 2-3%. Discussion held by Trustees and benefits consultant regarding the overall percentage of 2-3%. Mr. Nimmer confirmed as of today, it would roughly be 2-3% depending on when the bill is enacted, that number can certainly go up and he does not have the data in front of him to do a precise calculation. That was a directional answer and not precise. Discussion held by Trustees and benefits consultant regarding when the plan went insolvent in December and if no changes in benefits and premiums what would happen. Mr. Nimmer stated Aon has the information through December 2009. As of that date, this plan is insolvent by definition. There is still cash flow to pay for claims which are two different issues. The preliminary numbers Aon have received for January but have not done the final analysis looks more favorable in terms of the plans results. There is a favorable probability that the fund would move back into a solvent position. The fact of the matter is that the EUTF needs a rate increase in a fairly quick order to maintain solvency and, going forward, to replenish the reserves to build a margin to where there is any adverse experience the plan will have the funds available to pay for those claims.

d. FY09 Financial Audit

Ms. Donna Tonaki reported that there is no update regarding the FY09 Financial Audit and requested that this item be deferred. Discussion held by Trustees and staff regarding concerns why the Financial Audit be held in Executive Session because it did not seem information was confidential and should have be disclosed to public. Chair Kahooahanohano stated that the EUTF staff will confer with the deputy attorney general in the future. Mr. Suzuki stated that whenever confidential information is no longer confidential the Board needs to disclose to the public.

There being no objections by the Trustees, this item is deferred.

B. Deputy Attorney General

1. March Update

- a. Everson Lawsuit
This item will be addressed in Executive Session.

- b. Life Insurance Contract – Opinion Request
This item will be addressed in Executive Session.

C. Benefits Consultant

1. March Report

- a. Active and Retiree Newsletter
Overview by Ms. Joni Tamayo-Wilson regarding the active and retiree newsletter (see Consultant's report).

- b. informedRx – Implementation Contract Credits
This item will be addressed in Executive Session.

- c. Fully-Insured Benefit Design Options for Active Plan Benefits and Rates Effective 7/1/2010 through 6/30/2011
This item will be addressed in Executive Session.

- d. Self-Funded Benefit Design Options for Active Plan Benefits and Rates Effective 7/1/2010 through 6/30/2011
Overview by Mr. Timothy Nimmer regarding the self-funded benefit design options for active plan benefits and rates effective 7/1/2010 through 6/30/2011 (see report). Discussion held by Trustees and benefits consultant regarding what the 5% margin reflects. Mr. Nimmer stated that on page 1, item #4 the increase of 2.3%, the reference to the 5% margin, last year the Board adopted 2.7% (2.3%+2.7%=5% overall margin). Aon's recommendation is the 5% margin based on historical patterns of EUTF claims to assure the Board they are 95% confident they can cover a claim in any given year. Discussion held by Trustees and benefits consultant regarding not approving rate increases, different options, reducing the confidence level that would be a Board policy decision, shifting premium cost and benefits, background information on the Board's decision to utilize reserves to offset increases in 2007, and rate increases that the Board approved in 2009. Trustee Shiraki stated that the Board must look at both sides of the equation, should not go down the path of waiting for something that could happen in the future, and that the plan not go insolvent. Trustee Shiraki asked Mr. Nimmer how long can the Board continue discussion on premiums and plans and to do their fiduciary duty in making sure the plan does not go further insolvent in which the EUTF cannot pay their bills. Mr. Nimmer stated that time is of an essence to approve changes whether it be through premium or plan design changes or a combination of both to have those effective July 1, 2010 would be a very good

move. In terms of can we sustain ourselves beyond that point; Mr. Nimmer does not believe so in his professional opinion. If the EUTF continues for the fiscal year 2011 that begins in July without changes to the plans, the financial position will be much more dire than it looks today because those claims cost continue to go up, the premium dollars stay the same and the financial position of the plan continues to deteriorate. Trustee Shiraki stated that on the employer side, he does not think a decision can be made today. The Trustees need to think whether they want to affect the premium or the plan and make a decision at the next Board meeting. Trustee Annis stated when the Board discussed the change in plans, the EUTF staff has not caught up with the workload from the last enrollment period and this is very concerning. The Board needs to stabilize itself and there is a running cost to this. There are only a few choices to change the plan or increase the premium. The Board does not have a lot of time to work within and does not want see what happen last enrollment period repeated. The Board needs to cooperate on both sides and work together. Dr. Musto stated Trustee Annis's point on the enrollment is well taken and is his point as well. The Board is not in a place to open itself up to another open enrollment when the EUTF has not finished the one it already had. There are COBRA notices that have not gone out. What has happened is not just the result of this fund to reach a particular agreement but the failure of the State Legislature to recognize what the real costs are. If the Board has to increase premiums, we know that as far as the employers are concerned that is an entire burden to be borne by employees. The employer position is that they will pay not a penny more than they are paying today and that they had paid two years ago for health insurance. Any vote that takes place to make this fund solvent is going to come on the backs of the employee not shared one cent by the public employer and that is part of what their concern is and the problem. We are not a Trust existing by itself and understand all the comments being made. Unfortunately, the State has a history of not responding except in crisis and perhaps that is what it is going to take before anyone moves to do anything different than what has been done. Trustee Annis stated that she thinks the crisis is here, the EUTF is insolvent as the consultant has told the Board and has a negative unrestricted reserve. Dr. Musto suggested going jointly to the Legislature and to the Ways and Means committee and informing them of that. Also, go to the Governor and inform her that if the Legislature puts more funds for the EUTF that she cannot restrict them and that would be a joint decision by the Board. Trustee Annis stated that she would say the same for some bills that remove some of the cost savings that is needed. When working together there is a give and take on some of this. Dr. Musto stated those are not cost savings it is a cost shift. They shifted the costs to public employees, kept the premiums down and did not change the overall costs in the plan year of what it takes to provide health insurance. In the case of the decision of where prescription drugs are concerned, there are other issues that even go beyond that. Trustee Annis

asked if the position on employee side is that they would not vote for an increase or change in plans. Dr. Musto stated, as he said earlier, that he would clearly not vote for either a premium increase or an open enrollment. Trustee Annis asked the deputy attorney general what fiduciary responsibility the Trustees have concerning this issue if the EUTF was deemed insolvent on paper and the Trustees do nothing, what type of liability the Trustees would have when benefits come in to be paid and the EUTF has no money to pay. Mr. Suzuki stated that it would be an issue and thinks the standard would be on what a prudent person/investor would do under the circumstances. A standard that the Board would be held accountable to. What that standard is, we would have to get an expert to testify whether or not that standard has been breached or not. The Trustees owe their fiduciary responsibility to the Trust Fund therefore, the Board needs to look at what the level of responsibility is based on that not the politics. Whether or not that standard has been breached would have to be litigated to determine what that standard is and thinks it would be what a prudent investor would do under the scenario or circumstance. Trustee Annis stated as an individual she is concerned about the liability of her position here and she would have to follow the consultant's advice. With due respect, Trustee Perreira stated the Trustees that so boldly speak about the fiduciary responsibility today should review the voting record that they have over the last couple of years to come up with a plan that exist now. As suggested Trustee Annis, it swings both ways because the same prudent man standard would apply then. Given that what he believes what was reported at the last meeting that the likely outcome of the 2010 Legislative Session which would be the termination of the VEBA plans that would add a significant population to the EUTF that he believes Aon confirmed at the last meeting would have an impact on the rate structure of whatever kind of plan the Trustees would design, it would seem imprudent today to take an action when the population would potentially change dramatically that would have an impact on rates and as Trustee Shiraki suggested their could be the consideration to review plan design as part of the equation. Trustee Ching asked Aon to confirm what was said at the last Board meeting. Trustee Perreira stated that Mr. Nimmer was not present at the last Board meeting. Ms. Tamayo-Wilson stated yes, that she mentioned in their report they asked to get more information on HSTA VEBA because they understood that they may be returning to the EUTF July 1. In the meantime, as the current plan is now, Aon still plans on the current increase of 26.2%. Trustee Ching stated going back on the point raised by Trustee Perreira, did Aon actually receive a report. Trustee Perreira stated he never said that and does not want Trustee Ching to misrepresent him because he never said Aon gave the report. Trustee Ching stated he is raising the question to Aon and if he is wrong he will stand corrected. He is not trying to misstate anyone, as he recalls that the vote was delayed because Trustee Laderta wanted more information and is asking if Aon got that information before the present time.

Mr. Nimmer stated that Aon did not receive claims data from HSTA and does not have the ability to form that analysis. Once Aon receives that information they will provide the analysis for Trustees consideration. Trustee Ching stated that goes back to Trustee Shiraki's issue about what additional data might be necessary to decide. Mr. Suzuki stated that he has additional information, in a letter that was sent to Mr. Jim Williams, the EUTF asked for HSTA to provide information by April 5, 2010, that information is not yet available to the EUTF. Chair Kahoohanohano clarified that at the last meeting Aon did mention that it would have an effect, it could be negative or positive but they could not give the answer without the data. Mr. Nimmer stated that is correct, the size of the population from HSTA would have an impact. Once Aon understands the underlying demographics with that population they will provide a report to the Trustees for consideration. Trustee Ching asked how it would reconcile with what Trustee Shiraki raised in when would be the tipping point or the crucial time the Board has to make a decision.

Mr. Nimmer stated part of that would be a mechanical question if there would be enough time to provide enrollment materials to the participants because if the EUTF changes rates or benefits effective July 1, at what point would the EUTF have enough time to print the materials and provide that information to all the employees and their families for their consideration. The executive staff of the EUTF would have to answer that question. Chair Kahoohanohano stated that the executive staff did submit a report and stated in order to get all the materials done properly to meet the July 1 deadline, a decision by the Board would need to be made today. Chair Kahoohanohano stated what the Trustees are saying is partially true but the problem is that the EUTF has shifted the burden of payments to the participants. If the Board is speaking about fiduciary responsibility, in his perspective, it has to be a shared increase, not a one-sided increase. It should be shared on both sides and wants to work together with the Trustees. He cannot see shifting the burden of a 26.2% increase to the participants. The longer the Trustees wait, the worst the EUTF gets financially. Discussion held by the Trustees and staff regarding if the staff agreed that they could meet the deadline if a decision is made today. Ms. Yahiro stated yes. Chair Kahoohanohano asked the Board what other information they would need in order to make a decision. Trustee Perreira stated according to what Mr. Suzuki said, assuming that HSTA complies; they are not obligated to comply until April 5 to provide the data that Aon would need to do an analysis of the impact of the VEBA population. The legislature will adjourn at the end of April but the EUTF should know prior to that the fate of whether or not there will be any attempt to extend the VEBA and what impact, if any, that would have. We are looking, at minimum, a week and do not know how long it would take Aon after they receive the data to do an analysis. Mr. Nimmer stated an option that other States have made is to set the rates and once the new group joins the overall trust then you can rate them separately or on their own depending on the underlying demographics for a set

period of time. Trustee Perreira stated it is not an option that they will support. Mr. Nimmer stated that it was only an option not a position or opinion by Aon. Dr. Musto asked with respect to retirees there is no problem. Mr. Nimmer stated that there was a rate increase effective January 1, 2010, therefore, the retiree rates are adequate at this time. Dr. Musto asked that the only thing at play is the active employees. Mr. Nimmer stated that is correct.

MOTION was made for the Board to approve the self-funded benefit plan designs and rates for active employees effective July 1, 2010 as presented by the benefits consultant. (Annis/Ching) After discussion held by the Trustees, the motion failed. (Employer Trustees-2 YES-Annis, Ching, ABSTAIN-Boyer, Shiraki/Employee-Beneficiary Trustees-3 NO-Kahoohanohano, Musto, Perreira)

e. Self-Funded Plans IBNR

Overview by Mr. Nimmer regarding the self-funded plans IBNR. Aon recommends that the Board approve the self-funded plans IBNR in the amount of \$39,582,000. Discussion held by Trustees and benefits consultant regarding that the \$39,582,000 liability is a standard actuarially formula applied to what payouts were for the prior year and is needed to provide a financial balance sheet that indicates what potential liability is. Mr. Nimmer stated it is how many claims and what are the dollar amounts that had been incurred that the plan has not seen the invoices yet. It is based on historical payment patterns as an industry calculation. As your Actuary, Aon certifies this similar to a CPA certifying an audit.

MOTION was made for the Board to approve the Self-Funded Plans IBNR in the amount of \$39,582,000 as presented by the benefits consultant without a 5% margin as of December 31, 2009. (Annis/Ching) After discussion held by the Trustees, the motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

f. Annual Report for Fiscal Year 2009

Overview by Mr. Tamayo-Wilson regarding the Annual Report for Fiscal Year 2009 (see annual report). Discussion held by Trustees and benefits consultant regarding who has the deficit or surplus for self-funded plans. Ms. Tamayo-Wilson stated it is a EUTF deficit or surplus for self-funded plans. Discussion held by Trustees and benefits consultant regarding trends and deficits.

g. New Federal Health Legislation–Impact to EUTF

Overview by Mr. Timothy Nimmer regarding the new health care reform (see chart). Mr. Nimmer stated many clients are looking at the health care reform in two separate pieces: (1) what would impact our plan over the next plan

year; and (2) what do we need to think about moving forward into the future. The two biggest items now are the dependents age 26 which was discussed earlier and the lifetime maximum. The dependents age 26 will have an impact but not dramatic. The lifetime maximum because of the way it is set up today will not have an impact on the overall costs. Discussion held by Trustees and benefits consultant regarding dependents age 26 not having a dramatic impact on the EUTF.

Recessed at 11:05 a.m. and Reconvened at 11:10 a.m.

MOTION was made for the Board to approve to amend to take agenda item V. New Business, item D. out of order. (Musto/Perreira) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

Trustee Shiraki returned at 11:11 a.m.

V. NEW BUSINESS

D. Delegation of Signatory to Acting Assistant Administrator

Ms. Yahiro stated that she is recommending that the Board delegate her as Acting Assistant Administrator to sign documents in place of Ms. Donna Tonaki.

MOTION was made for the Board to authorize, Sandi Yahiro, Acting Assistant Administrator of the EUTF, to sign and execute contracts, documents, personnel transaction documents, and other documents as authorized by the Chair, on behalf of the EUTF, including the authority to sign vouchers from the fund pursuant to HRS 87A-25(1). This authority shall continue until the appointment of a new administrator, unless sooner revoked. (Musto/Boyer) The motion passed unanimously. (Employer Trustees-4/Employee-Beneficiary Trustees-3)

E. Financial Report as of December 31, 2009

Overview by Ms. Tonaki regarding the financial report as of December 31, 2009. Ms. Tonaki stated that the EUTF currently has a loss of \$1.5 million. Most of the loss is from the self-funded plans. Discussion held by Trustees and Ms. Tonaki regarding the amounts the EUTF is losing per month. Ms. Tonaki stated for the first 6 months of the year there is a \$7.6 million loss. If averaged monthly, it is approximately \$1 million per month loss.

F. Carriers

1. HDS
2. HMSA
3. HMA
4. informedRx (NMHC)

Ms. Nikki Bassett introduced Mr. Jerry Shipkin, Vice President of Clinical Services at informedRx.

5. Kaiser
6. Royal State Insurance
7. Standard Insurance
8. VSP

Due to lack of quorum, the meeting adjourned at 11:20 a.m.

IV. UNFINISHED BUSINESS

- A. Administrator Recruitment Activities
- B. Fully-Insured Benefit Design Options for Active Plan Benefits and Rates Effective 7/1/2010 through 6/30/2011
- C. Self-Funded Benefit Design Options for Active Plan Benefits and Rates Effective 7/1/2010 through 6/30/2011
This item was addressed during the Consultant's report.
- D. Collection of Social Security Numbers for Dependents of Active Employees – Optional
- E. Assignment of Rate Tier for Determination of Base Monthly Contribution
- F. Dependent Eligibility Audit – Appeals Process
- G. Dependent Eligibility Verification - On-going
- H. Contract Extension – Standard Life Insurance
- I. Self-Funded Plans IBNR
This item was addressed during the Consultant's report.
- J. Positions on Legislative Issues
- K. Procurement to Engage the Services of a Contractor to Assist the EUTF in Planning and Coordinating the Return of VEBA Beneficiaries

V. NEW BUSINESS

- A. Dependent Eligibility Audit – Distribute List of Non-Responders to Personnel Officers
This item was addressed during the EUTF staff's report.
- B. Dependent Eligibility Audit Contract Extension
- C. Open Enrollment Schedule

This item was addressed during the EUTF staff's report.

D. Delegation of Signatory to Acting Assistant Administrator

This item was taken out of order and addressed earlier on the agenda.

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

VII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

A. May 19, 2010 – Regular Board meeting

Ms. Maria Quartero will poll Trustees for a Special meeting in April 2010.

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT

Due to lack of quorum, the meeting adjourned at 11:20 a.m.

Respectfully submitted,

/s/

George Kahoohanohano, Secretary-Treasurer

APPROVED on July 21, 2010.

Documents Distributed:

1. Draft Board Minutes for 12/09/09. (18 pages)
2. Memorandum to BOT from Acting Assistant Administrator Regarding Update on COBRA Processing dated 3/30/10. (2 pages)
3. Letter from Segal to Nicole Wong Regarding Monthly Status Report dated 3/23/10. (2 pages)
4. Memorandum to BOT from Aon Regarding March 2010 Benefit Consultant Report dated 3/24/10. (2 pages)
5. EUTF Active and Retiree Draft Newsletter. (2 pages)
6. Letter to BOT from Aon Regarding State of Hawaii – 12/31/09 Reserve Estimates dated 3/24/10. (3 pages)
7. Aon's Report "Side-by-Side Comparison of Health Reform Bills dated 3/24/10. (4 pages)
8. Aon's Report on Comparisons of PPO and HMO Plans dated 3/30/10. (2 pages)
9. EUTF Annual Report Plan Year 2008-2009 Updated 3/31/2010 by Aon Consulting. (53 pages)
10. EUTF Statement of Net Assets (Unaudited) dated 3/31/10. (1 page)
11. EUTF Combined Statement of Revenues and Expenses-Budget & Actual Comparison

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6 Months Ended 12/31/09 (Unaudited) dated 3/25/10. (1 page)

12. EUTF Statement of Cash Flows 6 Months Ended 12/31/09 (Unaudited) dated 3/25/10.
(1 page)