



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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**FREQUENTLY ASKED QUESTIONS:
NEW EMPLOYEE BENEFIT PLAN PREMIUM CONTRIBUTIONS
Effective July 1, 2011**

1. Who is affected by these changes?

At this time it is our understanding the employees affected by these changes are:

- Employees who are members of Bargaining Units 02, 03, 04, 05, 06, 07, 08, and 13.
- Civil service and exempt employees **excluded** from the Bargaining Units noted above. This includes elected and appointed officials.

2. My cost went up more than I expected. Why?

In addition to changing the employer percentage from 60% to 50%, the figure that 60% or 50% was based on has also changed. Previously employers paid an amount equal to 60% of the predominant plan at the time of the last contract (2009) which was the 90/10 plan. (The 80/20 plan wasn't introduced until February 2010.) This meant employers paid the same dollar amount for each level of coverage (single, 2 party or family) no matter which plan (HMA, HMSA, Kaiser) an employee selected.

Starting July 1, 2011, employers will pay 50% of the rate for whichever plan employees are enrolled in. This dollar amount will vary depending on the plan. For employees enrolled in the major plans, the HMA 90/10, HMSA 80/20 or Kaiser Comprehensive, the percentage of change is about the same. However, those enrolled in plans which have lower total rates and lower employee costs such as the Kaiser Basic or HMSA High Deductible Plan, will experience higher percentages of increases.

3. Can I drop or change my coverage?

Not at this time since this is not an open enrollment period. We will be holding Open Enrollment this Fall for an effective date of January 1, 2012 and changes can be made at that time.

4. What about changes in coverage level like changing from family to single?

Changes of coverage level can only be made during an Open Enrollment period or if there is a change required by a change in family circumstances such as marriage, divorce, birth or adoption.

5. None of the prior percentages of premium sharing between Employer and Employee is exactly 60/40. Why?

The fee which covers the administrative cost to run the EUTF office is added into the rates. Previously this was paid 100% by employers. This made their share slightly more than 60% of the total. Effective July 1, all costs (premium rates plus the EUTF administrative cost) are shared 50/50 between employers and employees for those employees currently affected by this change.

6. Did the plan rates change July 1, 2011 also?

No, the total rates for almost all plans have remained the same*. The EUTF consultant, the Segal Company, negotiated extensions for our current contracts at current rates for the 6 months from July 1 to December 31, 2011.

* The HMSA Supplemental plan provided for HSTA members who were covered under the HSTA VEBA plan has a provision which does not conform to the requirements of the Federal Health Care Reform law. We have applied for a waiver to the Federal government, however, if this is not approved, the plan will change and the rates for this Supplemental plan will increase. Those covered by this plan will be notified directly.

7. If I'm enrolled in the State's Premium Conversion Plan (PCP), do I need to submit any forms to have the increase in my premium amounts pre-taxed?

No, if you are enrolled in the State's PCP, your PCP election will be automatically adjusted to reflect the new employee contribution amounts effective July 1.

8. I don't understand how the benefit plan deductions are shown on my pay statement. Who can I talk to?

Every deduction on your pay statement has a code to explain why it is there. An explanation of the code also appears – for State employees it is at the bottom of the page. Matching the codes, you can tell which amount is for medical, prescription drug, dental or vision. If you still have questions, please talk to your personnel or payroll office.

9. How can I check to make sure these are the right amounts?

A chart showing the total premium rate for each plan for single, 2 party and family coverages is posted at the EUTF website, eutf.hawaii.gov. Separate columns show employer and employee contributions prior to and after July 1.