

**HSTA VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION TRUST
BOARD OF TRUSTEE SPECIAL MEETING
OCTOBER 26, 2009
ATPA OFFICE**

ACT 245 BENEFITS – MEETING MINUTES

I. CALL TO ORDER

Joan Lewis, Chair called the meeting to order at 4:09 p.m.

PRESENT

Joan Lewis, Trustee (teleconference)
Liane Auyong-Imamura, Trustee (teleconference)
Beverlee Chip, Trustee (teleconference)
Peter Nakashima, Trustee (teleconference)
Justin Wong, Trustee
Paul Tom, Consultant (teleconference)
Rod Shinno, Trust Administration
Susan Pestana, Trust Administration
Dan McLellan, BPS (teleconference)

EXCUSED

Robert Gilmore, Trustee
Catherine Kalehuawehe, Trustee
Terrie Simpson, Trustee
Gayle Enriquez, Trustee
James K. Tam, Legal Counsel

II. CONSULTANT

Paul Tom advised the Trustees of the two exhibits he prepared for the Retiree Plans and distributed (emailed) to the Trustees earlier today. The Trustees acknowledged their receipt of the following information:

1. HSTA VEBA Trust - HMSA Options for 7/1/2009 to 6/30/2010
2. HSTA VEBA Trust - Kaiser and Dental Options for 7/1/2009 to 6/30/2010

Regarding the first exhibit titled “HMSA Options for 7/1/2009 to 6/30/2010, Mr. Tom explained the three benefit options for the HMSA plan and the estimated change to the total cost:

- A. No Benefit Change results in an estimated plan loss of \$1,056,060
- B. Change the Medical Plan only to equal the EUTF 90/10 Medical plan (effective 1/1/2010) results in an estimated plan loss of \$819,933
- C. EUTF Medical Plan changes and modified funding arrangement with HMSA results in an estimated plan loss of \$207,012

For the exhibit titled “Kaiser and Dental Options for 7/1/2009 to 6/30/2010, Mr. Tom reviewed the three benefit options and estimated change to the total cost:

- A. No Change to the Dental Plan results in an estimated plan loss of \$222,600.84
- B. Two benefit changes to the Dental Plan would result in an estimated plan loss of \$36,264.36. The two benefit changes are:
 - 1. Change from two exams to one exam per calendar year
 - 2. Change from two cleanings to one cleaning per calendar year retroactive to July 1, 2009.
- C. No benefit changes to the Kaiser Plan results in an estimated plan loss of \$45,427.50

Trustee Lewis questioned the possible use of the VEBA Trust reserves for the retiree plan in lieu of numerous benefit plan reductions.

Trustee Nakashima expressed possible concerns from the active teachers if the reserves were used to fund the losses without any adjustments to the benefits.

Trustee Lewis informed the committee members that results of their recent member survey revealed the #1 priority was continuation of the HSTA VEBA medical plans. In past years, lobbying for the VEBA has fallen on the Retirees because Active Teachers were obligated to be in their classrooms.

Susan Pestana/Trust Administration suggested a third option and compromise would be to offer the retirees the same HMSA plan the actives were given (back in October 1, 2009).

Trustee Wong indicated he felt the retirees would be open to this 90/10 HMSA Plan because the plan was already in effect for the Actives, and provided there is no change to the dental plan and the Chiroplan is maintained.

ACTION: (Lewis/Wong) Move to change the Retiree HMSA Medical Plan to the HMSA 90/10 PPO Medical Plan (same plan implemented 10/1/09 for the actives) effective January 1, 2010. The other Retiree medical plans (drug, vision, dental & chiro) to remain the same.

MOTION CARRIED

Mr. Tom indicated he will advise HMSA of the medical plan change and continue his discussion and negotiation with them on a modified funding arrangement.

Meeting adjourned at 5:52 p.m.

Prepared by: Susan Pestana, Trust Administration