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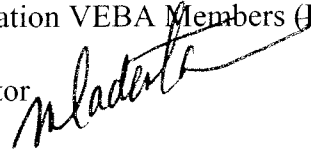
STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
P.O. BOX 2121
HONOLULU, HAWAII 96805-2121
Oahu (808) 586-7390
Toll Free 1(800) 295-0089
www.eutf.hawaii.gov

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MARIE C. LADERTA

December 27, 2010

TO: Active Hawaii State Teachers Association VEBA Members (Bargaining Units 05/45)

FROM: Marie C. Laderta, Acting Administrator 

SUBJECT: Information Regarding Transitioning to EUTF Plans Created Specifically for HSTA VEBA Members and Open Enrollment

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) created new health and life insurance benefit plans for HSTA VEBA members (BU 05/45) in response to the December 7, 2010 oral ruling by Judge Sakamoto. The new plans offer HSTA VEBA members the same standard of coverage in benefits that they enjoyed under their HSTA VEBA plans. All HSTA VEBA members (BU 05/45) will be transitioned to the newly created EUTF plans that offer the same standard of coverage in benefits on January 1, 2011.

HSTA VEBA members (BU 05/45) will also be allowed to participate in EUTF's open enrollment starting January 3, 2011 and ending January 24, 2011. This open enrollment period is solely to provide the HSTA members with a one-time opportunity, until the next open enrollment period, to switch to the EUTF health plans and other benefit plans available to all other eligible employees and eligible retirees of the State and County governments, effective March 1, 2011.

Below are questions and answers that we hope will be of help to you.

Q1. I understand the EUTF must offer HSTA VEBA members the same benefits that we have in our HSTA VEBA plans. Is that correct? Will the premiums be the same?

A1. Yes. Judge Sakamoto's December 7, 2010 oral ruling stated that HSTA VEBA members are entitled to the same standard of coverage in benefits when transitioned to the EUTF on January 1, 2011. The premiums, however, will be different. Premium information should be posted on EUTF's website by December 29, 2010, or sooner.

Q2. My HSTA VEBA benefit bundles my medical, prescription drug, vision and chiropractic coverage. Will EUTF do the same for the plans they are creating for us?

A2. Yes. EUTF has created bundled plans that provide the same standard of coverage in benefits currently being provided under the HSTA VEBA bundled plans, in response to Judge Sakamoto's oral ruling. See Q&A 3 below.

Q3. When transitioned to the EUTF on January 1, 2011, will I keep the same insurance carriers as I have under my HSTA VEBA plans? Will I receive new enrollment cards?

A3. In most situations, yes. However, if you currently have the VEBA HMA "80/20" medical plan and Catalyst prescription drug plan, on January 1, 2011, EUTF will be converting you to HMSA's "80/20" medical plan and HMSA's drug plan, both of which offer the same standard of coverage in benefits as the VEBA plans. See below.

Current HSTA VEBA Plans	EUTF Plans (created for HSTA VEBA members BU 05/45 effective January 1, 2011)
Kaiser Medical & Drug, VSP Vision, & Chiro	Kaiser Comp & Drug, VSP Vision, & Chiro
HMSA 90/10 PPO (fully insured) Medical and Drug, VSP Vision, & Chiro	HMSA 90/10 (fully insured) Medical and Drug, VSP Vision & Chiro
HMA 80/20 (self funded) Medical, Catalyst Drug, VSP Vision & Chiro	HMSA 80/20 (fully insured), drug, VSP Vision & Chiro
HMSA Supplemental Medical, Drug, Vision & Chiro	HMSA Supplemental Medical, Drug, Vision and Chiro
VSP Vision only	VSP Vision only
Primary HDS Dental Plan	Primary HDS Dental Plan
Supplemental HDS Dental Plan	Supplemental HDS Dental Plan
Pacific Guardian Life	Standard Insurance Company (life)

Regarding new enrollment cards, you may use your current HSTA VEBA enrollment cards for the EUTF Kaiser plan, EUTF HMSA 90/10 plan, EUTF HMSA Supplemental Plan, and EUTF HDS plan. The EUTF HSMA 80/20 plan will issue you a new enrollment card. More information will forthcoming.

Q4. The HSTA VEBA plans have 2-tier premiums: Self and Family. Will EUTF plans also have 2 tiers?

A4. EUTF plans have a 3-tier premium structure which you will automatically be converted to: Self, 2-Party (2 people), and Family.

Q5. If I am only covering myself under the HSTA VEBA plans, will EUTF automatically convert me to EUTF's 'Self' only rates?

A5. Yes.

- If you have two people covered under your HSTA VEBA plans, EUTF will convert you from the VEBA's Family rate to the EUTF's 2-Party rate.
- If you have three or more covered under your HSTA VEBA plans, EUTF will convert you to the EUTF's Family rate.

Q6. How much will I have to pay starting January 1, 2011, when EUTF transitions me to the plans specifically created for HSTA VEBA members?

A6. This information will be posted on EUTF's website as soon as possible, probably by December 28 or 29, 2010.

Q7. I understand that EUTF will conduct an open enrollment period January 3, 2011 to January 24, 2011. Can I attend the open enrollment sessions?

A7. Yes. Attachment #1 is a schedule of open enrollment informational sessions which will be held statewide. Representatives of the health plan insurance carriers will be present at the sessions to provide information about their health/life insurance plans' benefits and answer questions you may have. A representative from the EUTF will also be present should you have questions.

Q8. What happened to the open enrollment form that I submitted during the limited open enrollment period which was held in November 2010?

A8. EUTF will not be processing enrollment forms received from HSTA VEBA members during the November 2010 open enrollment.

Q9. If I don't want to stay in the plans EUTF created specifically for HSTA VEBA members, can I switch to other EUTF plans that are available to other State and County government employees and retirees?

A9. Yes. You can do so only during the open enrollment period (January 3, 2011 - January 24, 2011) and the change will be effective from March 1, 2011. Please note that once you switch to EUTF's plans available to all other State and County employees, you will **never** be allowed to switch back into the EUTF plans specifically created for HSTA VEBA members.

Q10. During open enrollment, if I want to switch to another one of the plans specifically created for HSTA VEBA members, will I be allowed to do so? In other words, would I be able to switch from the VEBA-type Kaiser plan to the VEBA-type HMSA plan, or from the VEBA-type HMA plan to the VEBA-type HMSA plan, etc.?

A10. No. You will only be allowed to switch from the plans EUTF created specifically for HSTA VEBA members to the EUTF plans available to all other State and County employees.

Q11. During open enrollment, if I do not want to switch to the EUTF plans available to all other State and County employees, but want to add or drop a dependent under the plans EUTF created for the HSTA VEBA members, can I do that?

A11. Yes.

Q12. The conversion chart shown in Q&A 3 indicates that our life insurance is being switched from Pacific Guardian to Standard Insurance. You indicated that our standard of coverage in benefits will remain the same, but will our beneficiary designation also be transferred to Standard Insurance?

A12. No. Standard Insurance will be mailing you new beneficiary designation forms shortly. Be sure to complete it and mail it back to Standard Insurance Company promptly.

Q13. For open enrollment, who can explain the difference in the standard of coverage in benefits between the EUTF plans specifically created for HSTA VEBA members and the EUTF plans available to all other State and County employees and retirees?

A13. There are a few options:

- Attend one of the open enrollment informational sessions. Representatives from the various insurance carriers will be there and you can visit their table to talk with them.
- Call the carriers at the numbers listed in Q&A 29.

Q14. If I stay in the plans that EUTF specifically created for HSTA VEBA members, will I be allowed to add my 25 year old dependent right away since the federal Health Care Reform mandated that insurance plans include this?

A14. No. Federal Health Care Reform allows plans to add the new feature (covering dependents through age 25) at the beginning of the next plan year. EUTF's plan year begins every July 1st. As such, EUTF will be adding the new feature starting July 1, 2011. EUTF will issue information on this matter to all employees in the Spring of 2011.

Q15. If I change jobs after January 1, 2011 and switch from a BU 05 or 45 position to a position in a different Bargaining Unit, will I be required to dis-enroll from the plans EUTF created for HSTA VEBA members and enroll in the EUTF plans available to all other State and County employees?

A15. Yes.

Q16. If I have questions that are not covered in these Qs & As, who do I contact?

A16. EUTF will be posting updates to these Qs & As on its website at: www.eutf.hawaii.gov. Click on "For HSTA Members". If your questions are not answered on EUTF's website, see Q&A 29.

Q17. Will the EUTF be providing employees with an updated Reference Guide (informational booklet) during the open enrollment period?

A17. No. Since the EUTF insurance carriers and benefits are NOT changing (only the premiums are changing), the EUTF will not be updating the 2010 Reference Guide. If you need information on the benefits of the various EUTF health benefit plans, please review the 2010 Reference Guide, which can be found at EUTF's website: www.eutf.hawaii.gov. First, click on: 2011 Open Enrollment Information. Then click on: 2011 Active Open Enrollment Notices.

Q18. Regarding the open enrollment informational sessions, will employees be given time off to attend one of the sessions?

A18. No. As stated in A1 above, the insurance carriers and benefits are NOT changing, only the premiums are changing, and information on the benefits is available on the EUTF's website. Therefore, administrative time off will not be given for these open enrollment informational sessions. However, most sites have a 3:00 p.m. session, which should accommodate teachers' schedules.

Q19. If I want to make changes during open enrollment, what do I do?

A19. You must complete an EC-1 Enrollment Form (Revised July 2010) and turn it in to the DOE-Employee Benefits Unit, P.O. Box 2360, Honolulu, HI 96804, no later than January 24, 2011. For teachers processed under the charter schools system, turn in your EC-1 forms to the Charter School Administrative Office on Bishop Street no later than January 24, 2011.

The EC-1 form can be found at EUTF's website: www.eutf.hawaii.gov. Click on: EUTF Forms.

When completing the form, be sure to check off **all** plans you wish to enroll in. In Section 3 of the EC-1 form, boxes left blank would mean that you have **not** selected those options, thereby waiving coverage.

Q20. Regarding the EC-1 form:

a. If I submit an old EC-1 form, and not the latest EC-1 form that was revised in July 2010, will EUTF still accept the old form?

No. Therefore, please check the upper left corner of the form to be sure that it shows: EC-1 Rev July 2010.

b. Do I need to complete Section 2?

No. Section 2 is only applicable for health plan enrollments or changes employees wish to make in the middle of a plan year due to a qualifying event, i.e., adoption, birth, marriage, new domestic partnership, new hire, newly eligible, placement for adoption, reinstatement in employment, return from authorized leave of absence (if not currently enrolled).

c. Regarding Section 4, do I need to enter information on my dependents, even if I am only making a health plan change and have no changes to my dependents' information?

Yes. If you are making a health plan selection under Section 3 of the EC-1 form, you also need to complete Section 4 regarding Dependent Information if you wish to cover any dependents. If you do not list any dependents on the form, it will be assumed that you do not wish to cover any dependents.

Q21. During open enrollment, I want to enroll in either the EUTF HMA "90/10" or EUTF HMSA "80/20" plan, but they both don't have drug coverage. I need drug coverage. How can I get it?

A21. If you enroll in the HMA "90/10" or HMSA "80/20" plan and need drug plan coverage, enroll in the informedRx Prescription Drug Plan. If you do not check the appropriate box on the EC-1 form to enroll in that plan, it will be assumed that you do not want prescription drug plan or the dental plan or the vision plan.

Q22. If I turn in my EC-1 form to the DOE Employee Benefits Unit by January 24, 2011, what is the effective date of my change?

A22. March 1, 2011.

Q23. If I mail and postmark my EC-1 form to the DOE Employee Benefits Unit by January 24, 2011, and they get it a few days later, will my form still be accepted?

A23. No. The EC-1 form must be RECEIVED by the DOE Employee Benefits Unit no later than January 24, 2011. Therefore, we urge you not to wait until the last minute to submit your enrollment form.

Q24. If I turn in my EC-1 form by January 24, 2011, (meaning if my EC-1 form is received by my personnel office by that date), when can I expect to receive my new membership cards?

A24. You should receive your new cards by the end of March 2011. Even though your cards may not arrive until the latter part of March, **YOU WILL BE COVERED STARTING MARCH 1, 2011.** EUTF will provide the health plan carriers with computer files on a weekly basis, as the EC-1 forms are processed, so that the carriers can update their files accordingly. However, if you need to go to the doctor or fill a prescription and have a problem because your doctor or pharmacy is not able to verify your coverage for some reason:

Send EUTF an email at: eutf@hawaii.gov. In the subject line, type in: URGENT (HSTA)– Need Confirmation of Coverage. EUTF will check this email box daily and will send the carrier a rush notice of your coverage. You will get an email response from EUTF so that you will know your email was received. The following insurance carriers issue membership cards: HMSA, HMA, Kaiser, and HDS.

If you do not have access to a computer, ask your personnel office for help in sending EUTF an email about your problem.

If you cannot send EUTF an email, then call the EUTF Call Center at 586-7390, or Neighbor Island employees may call us toll-free at 1-800-295-0089.

Q25. If I DO NOT submit an EC-1 form, will my enrollment in the plan(s) that EUTF transitions me into on January 1, 2011 automatically continue? Will my current enrollment in the Premium Conversion Plan (PCP)* also continue?

A25. Yes, your current health benefit plan enrollments will automatically continue. In such a case, the only change you will see is in your health plan payroll deduction(s), to reflect the new employee contribution amounts.

Yes, your current PCP enrollment also will automatically continue. If you want to change or cancel your PCP enrollment, you need to submit an EC-1 form and check the appropriate box under Section 3 of the EC-1 form, at the bottom of page 1.

* Note: The PCP is a voluntary benefit which may be offered by your employer. It provides an opportunity to most health benefits plan participants to save some tax dollars and make the most of their paychecks. For more information on the PCP, DOE employees can check the State Department of Human Resources Development's website at:
<http://hawaii.gov/hrd/main/EEBenefits/TaxSavingsBenefits/>

Q26. If I DO submit an EC-1 form to make a health plan change during open enrollment and I want to continue my current enrollment in the Premium Conversion Plan (PCP), do I need to re-enroll in the PCP on the EC-1 form?

A26. No. Since you already are in the PCP, your enrollment will automatically continue.

Q27. If I turn in an EC-1 form during open enrollment, will I receive any confirmation of my change?

A27. Yes, but only if actual enrollment changes were made. EUTF will mail a confirmation notice to you at your last known mailing address. Therefore, if you recently changed your mailing address, be sure to put your updated address on the EC-1 Enrollment Form and check the box that says: "Check this box if your address has changed."

You should receive the confirmation notice on or before March 1, 2011, depending on when your enrollment transaction was processed and if there were any problems with your mailing address or form (e.g., missing information). When you receive the confirmation notice, please review it carefully to make sure the changes you requested were made.

Q28. When can I expect to get more information from EUTF?

A28. The EUTF will provide more updates to BU 05 and 45 members before January 1, 2011.

Because many schools are closed now, EUTF will post the information on EUTF's website at www.eutf.hawaii.gov. Click on: "For HSTA Members."

Q29. If I have other questions, who can I contact?

A29. There are several ways to get information:

- Attend one of the many open enrollment informational sessions scheduled (see Attachment #1).
- Check the EUTF website at: www.eutf.hawaii.gov. Click on the following links that may be pertinent:
 - 2011 Open Enrollment Information (Click on: 2011 Active Open Enrollment Notices)
 - EUTF Forms
 - Links to Carrier Web Sites
 - Administrative Rules
 - Chapter 87A, HRS 2009

For questions related to the **benefits** of the health plans, contact the carriers directly:

- ChiroPlan: Honolulu (808) 621-4774, Neighbor Islands (800) 414-8845
- HDS: (808) 529-9310; Toll-free (800) 232-2533 x310
- HMA: (808) 954-8796, Toll-free (866) 826-5335
- HMSA: Oahu 948-6499, Toll-free (800) 776-4672
- Kaiser: (808) 432-5955, Toll-free (800) 966-5955
- informedRx: Toll-free (866) 533-6977
- Royal State: (808) 539-1600, Toll-free (800) 890-9022
- VSP: Honolulu (808) 532-1600, Toll-free (800) 522-5162
- Standard Insurance: Toll-free (888) 408-2298

For questions related to eligibility, status of your enrollment, required supporting documents, and timing of submission of forms:

- Email EUTF at: eutf@hawaii.gov, or
- Call the EUTF Call Center at 586-7390, or Neighbor Island employees may call us toll-free at 1-800-295-0089.

Q30. I've never worked for the Department of Education or Public Charter Schools before and recently accepted a teaching position. I will be a Bargaining Unit (BU) 05 member and will start employment on or after January 3, 2011. Can I enroll in the plans EUTF created specifically for HSTA VEBA members?

A30. No. New BU 05 or 45 employees starting employment January 1, 2011 or later will only be allowed to enroll in the other EUTF plans offered to all other State and County employees.

Note: The enrollment of HSTA VEBA members into these new health and other benefit plans is being done solely to comply with Judge Sakamoto's oral ruling and not to create any

constitutional or contractual right to the benefits provided by these plans. Please note that the State does not agree with Judge Sakamoto's ruling and reserves the right to move HSTA VEBA members into regular EUTF plans if Judge Sakamoto's ruling is overturned or modified.

Attachment #1: Open Enrollment Informational Session Schedule for Active Employees

Open Enrollment Information Session Schedule for Active Employees

Date	Location	Time
Monday January 3, 2011	Leeward Community College GT105 (Oahu)	8:30 – 10:30 11:00 – 12:30 3:00 – 4:15
Tuesday January 4, 2011	Lanai Library (Lanai)	1:30 – 2:30 3:00 – 4:00
Wednesday January 5, 2011	Aunt Sally's Luau Hale (Hilo)	10:00 – 11:30 1:00 – 2:30 3:00– 4:15
Thursday January 6, 2011	Maui Community College Kalama 103 (Maui)	10:00 – 11:30 1:00 – 2:30 3:00– 4:15
Thursday January 6, 2011	Leeward Community College GT105 (Oahu)	8:30 – 10:30 11:00 – 12:30 3:00 – 4:15
Friday January 7, 2011	U.H. Kuykendall Auditorium (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00– 4:15
Monday January 10, 2011	Mitchell Pauole Community Center (Molokai)	2:30 – 3:30 3:45 – 4:30
Tuesday January 11, 2011	Kapolei Hale Conference Rm A & B (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Wednesday January 12, 2011	State Capitol Auditorium (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Wednesday January 12, 2011	Yano Hall (Kona – Captain Cook)	10:00 – 11:00 11:30 – 12:30
	Natural Energy Laboratory (Kona – Kailua)	3:00 – 4:15
Thursday January 13, 2011	Aunt Sally's Luau Hale (Hilo)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Tuesday January 18, 2011	Mission Memorial Auditorium (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Tuesday January 18, 2011	Kauai War Memorial Convention Center (Kauai)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Wednesday January 19, 2011	Kauai War Memorial Convention Center (Kauai)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Wednesday January 19, 2011	Mission Memorial Auditorium (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Thursday January 20, 2011	Wailuku Community Center (Maui)	10:00 – 11:30 1:00 – 2:30 3:00– 4:15
Friday January 21, 2011	Windward Community College Akoakoa 105 (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15

Location Address

Oahu

Leeward Community College, GT105

96-045 Alaike Street
Pearl City, HI 96782

Kapolei Hale, Conference Rm A & B

1000 Uluohia Street
Kapolei, HI 96707

Mission Memorial Auditorium

City Hall Annex
550 S. King Street
Honolulu, HI 96813

U.H. Kuykendall Auditorium

2445 Campus Road
Honolulu, HI 96822

State Capitol Auditorium

415 S. Beretania Street
Honolulu, HI 96813

Windward Community College

Akoakoa 105
45-720 Keaahala Road
Kaneohe, HI 96744

Neighbor Island

Lanai –Lanai City

Lanai Library
555 Fraser Avenue
Lanai City, HI 96763

Maui-Kahului

Maui Community College, Kalama 102
310 Ka'ahumanu Avenue
Kahului, HI 96732

Maui-Wailuku Community Center

395 Waena Place
Wailuku, HI 96793

Hawaii-Kona (Captain Cook)

Yano Hall
82-6156 Mamalahoa Highway
Captain Cook, HI 96750

Hawaii-Hilo

Aunt Sally's Luau Hale
799 Piilani Street
Hilo, HI 96720

Molokai-Kaunakakai

Mitchell Pauole Community Center
90 Inoa Street
Kaunakakai, HI 96748

Kauai-Lihue

Kauai War Memorial Convention Center
4191 Hardy Street
Lihue, HI 96766

Hawaii-Kona (Kailua)

Natural Energy Laboratory
73-4460 Queen Ka'ahumanu Highway
Kailua-Kona, HI 96740