
HOUSE CONCURRENT RESOLUTION

REQUESTING A STUDY ON THE PREVALENCE, IF ANY, OF UNNECESSARY PAYMENTS MADE FROM THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND TO INSURERS FOR HEALTH BENEFITS PLAN PREMIUMS OF DECEASED INDIVIDUALS, AND AN ANALYSIS OF POSSIBLE SOLUTIONS, STATUTORY OR OTHERWISE, THAT MAY ELIMINATE OR SIGNIFICANTLY REDUCE SUCH PAYMENTS.

1 WHEREAS, state and county employees, retirees, and their
2 dependents have been enrolled in a single health benefits
3 delivery system, known as the Employer-Union Health Benefits
4 Trust Fund, for over a decade; and

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6 WHEREAS, health benefits are significant costs for public
7 employers; and

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9 WHEREAS, the unfunded actuarial accrued liability of the
10 Employer-Union Health Benefits Trust Fund is approximately
11 \$14,000,000,000; and

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13 WHEREAS, monies in the Employer-Union Health Benefits Trust
14 Fund should not be spent unnecessarily; and

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16 WHEREAS, other jurisdictions within the United States of
17 America, such as the City of Buffalo and the City of Woonsocket,
18 have endured public embarrassment as those jurisdictions have
19 spent monies unnecessarily to pay for the health benefits plan
20 premiums of the deceased; and

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22 WHEREAS, the State should take steps to avoid wasting
23 monies from the Employer-Union Health Benefits Trust Fund in a
24 similar matter; and

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26 WHEREAS, monies from the Employer-Union Health Benefits
27 Trust Fund are distributed to insurers for the payment of
28 beneficiaries' health benefits plan premiums, except with regard



1 to premiums for the benefit of out-of-state retirees who receive
2 premium reimbursements pursuant to section 87A-33.5, Hawaii
3 Revised Statutes; and
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5 WHEREAS, under sections 4.11 and 4.12(c), Employer-Union
6 Health Benefits Trust Fund Administrative Rules, coverage under
7 a health benefits plan may be cancelled if an employee-
8 beneficiary is required to pay his or her required contributions
9 toward health benefit plan premiums but fails to timely pay
10 those contributions; and
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12 WHEREAS, the death of such an employee-beneficiary would
13 automatically stop the distribution of monies from the Employer-
14 Union Health Benefits Trust Fund to the employee-beneficiary's
15 insurer for payments of health benefits plan premiums; and
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17 WHEREAS, conversely, there are some "noncontributing
18 beneficiaries" who are not current employees, who are not
19 dependent-beneficiaries of current employees, and who are not
20 required to pay any contributions toward their health benefit
21 plan premiums; and
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23 WHEREAS, under current statutes and administrative rules,
24 the death of a noncontributing beneficiary does not appear to
25 automatically stop the distribution of monies from the Employer-
26 Union Health Benefits Trust Fund to the noncontributing
27 beneficiary's insurer for payments of health benefits plan
28 premiums; and
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30 WHEREAS, it is therefore possible that the administration
31 of the Employer-Union Health Benefits Trust Fund, while
32 attempting to fulfill its duties under the law, is nonetheless
33 sending unnecessary health benefit plan premium payments to
34 insurers; and
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36 WHEREAS, the statutes or administrative rules may require
37 revision in order to create a permanent process that prompts the
38 cancellation of health benefits plans for deceased
39 noncontributing beneficiaries; and
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41 WHEREAS, however, any change to Chapter 87A, Hawaii Revised
42 Statutes, or relevant administrative rules could have wide-
43 ranging and far-reaching impacts on the beneficiaries of the
44 Employer-Union Health Benefits Trust Fund; now, therefore,



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2 BE IT RESOLVED by the House of Representatives of the
3 Twenty-sixth Legislature of the State of Hawaii, Regular Session
4 of 2012, the Senate concurring, that the Board of Trustees of
5 the Employer-Union Health Benefits Trust Fund and the Department
6 of Budget and Finance are requested to study the prevalence, if
7 any, of unnecessary payments made from the Employer-Union Health
8 Benefits Trust Fund to insurers for health benefits plan
9 premiums of deceased individuals; and

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11 BE IT FURTHER RESOLVED that the Board of Trustees of the
12 Employer-Union Health Benefits Trust Fund and the Department of
13 Budget and Finance, with the assistance of the Department of
14 Health as needed, are requested to make an analysis of the
15 effectiveness and fairness of solutions, statutory or otherwise,
16 that may eliminate or greatly reduce such unnecessary payments,
17 including but not limited to:

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19 (1) The Board of Trustee's submission of, on an annual
20 basis, a list of noncontributing beneficiaries to the
21 Department of Health; provided that the Department of
22 Health monitor the issuance of certificates of death
23 for each of the individuals on the list; provided
24 further that the Department of Health submit a
25 responsive list of deceased noncontributory
26 beneficiaries to the Board of Trustees; provided
27 further that the Board of Trustees cancel the health
28 benefit plans of anyone on the Department of Health's
29 responsive list;

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31 (2) The Board of Trustee's submission of, on an annual
32 basis, a letter to each noncontributing beneficiary,
33 requesting confirmation of the noncontributing
34 beneficiary's desire to continue to receive benefits;
35 provided that the noncontributing beneficiary's health
36 plan is cancelled if the beneficiary does not respond;
37 provided further that any noncontributing beneficiary
38 has the right to appeal;

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40 (3) Any other solution that is fair and equitable to all
41 relevant parties; and

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43 BE IT FURTHER RESOLVED that the Board of Trustees of the
44 Employer-Union Health Benefits Trust Fund and the Department of



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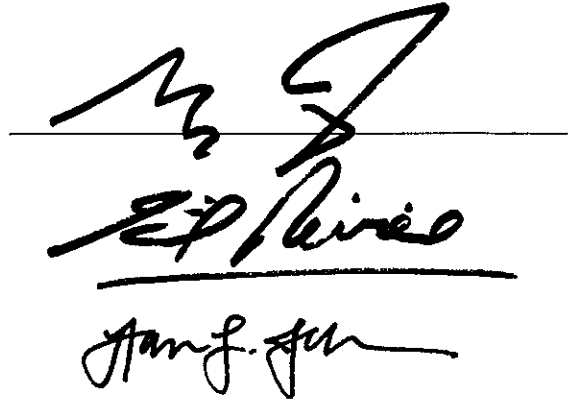
1 Budget and Finance are requested to submit their study and
 2 analysis to the Legislature at least twenty days prior to the
 3 convening of the Regular Session of 2013; and
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5 BE IT FURTHER RESOLVED that certified copies of this
 6 Concurrent Resolution be transmitted to the Chairperson of the
 7 Board of the Employer-Union Health Benefits Trust Fund, the
 8 Director of Finance, and the Director of Health.
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OFFERED BY:



A handwritten signature in black ink, appearing to read "Paul Ward", written over a horizontal line.



Two handwritten signatures in black ink. The top signature is large and stylized, possibly "M. J.". Below it is another signature, possibly "Ed. Lewis", also written over a horizontal line. Below that is a smaller signature, possibly "Stanley".

MAR 01 2012

