DAVID Y. IGE GOVERNOR



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 BOARD OF TRUSTEES CELESTE Y.K. NIP, CHAIRPERSON JULIA ZEGHMI, VICE-CHAIRPERSON AUDREY HIDANO, SECRETARY-TREASURER RODERICK BECKER LINDA CURRIVAN MUSTO WESLEY MACHIDA JAMES NISHIMOTO COLLEEN PASCO VIRGINIA PRESSLER CLIFFORD UWAINE

ADMINISTRATOR DEREK M. MIZUNO

TESTIMONY BY DEREK MIZUNO ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND DEPARTMENT OF BUDGET AND FINANCE STATE OF HAWAII TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR AND TO THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH ON SENATE BILL NO. 2664

February 12, 2016, 9:30 a.m.

RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Chairs Keith-Agaran and Baker, Vice Chair Shimabukuro and Kidani, and Members of the Committees:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not had an opportunity to take a position on this bill. However, the Committee should be aware that currently the EUTF has added all of the benefits mandated by this bill to the EUTF active employee and retiree medical plans, excluding the HSTA VB plans offered by the EUTF. Only the autism and orthodontic services for orofacial anomalies benefits has not been added to the HSTA VB active employee and retiree plans as mandated by this bill. The HSTA VB active employee and retiree plans were created in accordance with Kono, et al v. Abercrombie lawsuit for the members in the Hawaii State Teachers Association Voluntary Employees' Beneficiary Association Trust (HSTA VEBA) as they transitioned from the HSTA VEBA to the EUTF. On January 1, 2011, the HSTA VEBA members, who voluntarily elected to, were moved to the HSTA VB plans created by the EUTF. Generally, the EUTF has maintained the same level of benefits for the HSTA VB plans unless mandated by law. The addition of the autism and orthodontic services for orofacial anomalies benefits to the HSTA VB active employee and retiree plans would cost the active employees, employers and retirees over \$325,000 annually.

We thank you for the opportunity to testify.



February 12, 2016

The Honorable Gilbert S. C. Keith-Agaran, Chair Senate Committee on Judiciary and Labor The Honorable Rosalyn H. Baker, Chair Senate Committee on Commerce, Consumer Protection and Health

Re: SB 2664 – Relating to Health

Dear Chair Keith-Agaran, Chair Baker, Members of the Committees:

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on SB 2664, which require the Employer-Union Benefits Trust Fund (EUTF) to provide healthcare coverage for all benefits mandated under State statute. HMSA supports this Bill.

Even before the enactment of the Affordable Care Act, the people of Hawaii covered under a private health plan have been afforded a statutorily protected, rich array of healthcare benefits.

This legislation will eliminate an exemption from State-mandated health benefit coverage afforded the EUTF. It will provide equity in the local healthcare system by guaranteeing EUTF members and their family equal access to healthcare services and treatment required under State statutes.

Thank you for allowing us to testify on SB 2664.

Sincerely,

Jennifer Diesman Vice President, Government Relations.

| From: | mailinglist@capitol.hawaii.gov |
|----------|--|
| To: | JDLTestimony |
| Cc: | |
| Subject: | *Submitted testimony for SB2664 on Feb 12, 2016 09:30AM* |
| Date: | Tuesday, February 09, 2016 10:40:02 PM |

<u>SB2664</u>

Submitted on: 2/9/2016 Testimony for JDL/CPH on Feb 12, 2016 09:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|-----------------------|-----------------------|
| Rachel L. Kailianu | Individual | Support | Yes |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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