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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
ON SENATE BILL NO. 930

February 13, 2017
9:30 a.m.
Room 016

**RELATING TO UNCLAIMED PROPERTY OF THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND**

Chair Keith-Agaran, Vice Chair Rhoads, and Members of the Committee:

The EUTF Board of Trustees strongly supports this Administration bill. This bill will provide the EUTF with a mechanism to void unclaimed property in a similar fashion to the Department of Budget and Finance Unclaimed Property Program (Unclaimed Property Program). EUTF is not allowed to transmit most unclaimed property to the Unclaimed Property Program because of the Health Insurance Portability & Accountability Act (HIPAA), as the EUTF's unclaimed property contains protected health information.

The EUTF's criteria to void unclaimed property claims (i.e. less than \$500 and outstanding over 10 years) is slightly different (in dollar amounts) than the Unclaimed

EUTF's Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

Property Program (i.e. less than \$100 and outstanding over 10 years) because of the high percentage of unclaimed property currently outstanding over 180 days, less than \$350 and greater than or equal to \$100 as of December 31, 2016:

- Less than \$100: 49 (11%) totaling \$1,824 (2%)
- Less than \$350 and greater than or equal to \$100 378 (85%) totaling \$101,705 (89%)
- Greater than or equal to \$350: 18 (4%) totaling \$10,260 (9%)

The high number of unclaimed property less than \$350 and greater than or equal to \$100 results as the majority of the EUTF unclaimed property relates to quarterly Medicare Part B premium reimbursements of \$314.70(\$104.90 monthly Medicare Part B premium for 2016 x 3 months). As this quarterly reimbursement is expected to increase in the future (e.g. retirees who enroll in Medicare Part B after December 31, 2016 have a higher quarterly reimbursement of \$402 = \$134 monthly premium x 3 months for 2017), EUTF requests a threshold of \$500 to avoid continual requests to increase the threshold.

Thank you for the opportunity to testify.