



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

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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 HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON HOUSE BILL NO. 2466

February 9, 2018
2:00 p.m.
Room 329

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

The EUTF Board of Trustees has not had an opportunity to take a position on this bill. The EUTF Board's next meeting is February 27, 2018. At this time, EUTF staff would like to provide comments on the bill.

In accordance with HRS 87A-23, all Medicare eligible retirees and their dependents are required to enroll in Medicare Part B if eligible (generally, age 65 and older or with a qualifying disability) to participate in the EUTF retiree medical and prescription drug retiree plans. Additionally under HRS 87A-23, the employers through the EUTF reimburse the retirees and spouses for the Medicare Part B premiums. EUTF Administrative Rules specify that income adjustments to the Medicare Part B premium (began January 1, 2007) are reimbursable up to a two-year retroactive period (effective August 2014) but penalties are not reimbursable. For example, if a retiree forgot to the submit a SSA or CMS letter for calendar years 2016 and 2017 (and therefore received

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.

the standard monthly \$134 Medicare Part B reimbursement) but later submitted the letter indicating the monthly income adjusted premiums of \$187.50 on May 1, 2018, the retiree would be reimbursed the income adjustment of \$53.50 (\$187.50 - \$134) for the period May 1, 2016 – April 30, 2018. The retiree would not be reimbursed the income adjustment amount for the period January 1, 2016 – April 30, 2016. The attached provides information on the total number of retirees and spouses receiving Medicare Part B reimbursement (50,995) and the amount receiving income adjustments in 2017 (3,525), who are the subject of this proposed bill. Since the EUTF Administrative Rule change adding the two-year limit became effective, the EUTF has not received any appeals to the Administrator or Board regarding this limitation and there have been minimal requests submitted to EUTF staff.

New and current retirees who newly enroll in Medicare Part B must submit a copy of their Medicare Part B card, a Direct Deposit Agreement Form and a copy of a letter from the Social Security Administration (SSA) or Centers for Medicare and Medicaid Services (CMS) indicating the amount of their Medicare Part B premium for EUTF to begin their Medicare Part B reimbursements. If a retiree or spouse has an income adjustment, EUTF will reimburse this amount at the onset of their Medicare Part B reimbursements.

At the end of the year, the EUTF will clear all income adjustments and the retiree/spouse Medicare Part B reimbursement will be reset to the standard amount, currently \$134. The EUTF reminds the retirees to submit the SSA or CMS letter the following two ways:

1. All retirees receive an annual Retiree Reference Guide in October that includes in the FAQs a reminder to submit their letter from SSA or CMS within two years to receive the income adjustments.
2. Since 2012, EUTF includes an article in the ERS Winter Quarterly Holomua that is mailed to all ERS retirees reminding retirees to submit their SSA or CMS letter to receive the correct Medicare Part B reimbursement.

Additionally, the retiree should see the lower Medicare Part B reimbursement deposited into their bank account. EUTF staff believe that appropriate measures are being taken to notify the retirees to submit the required information.

Thank you for the opportunity to testify.

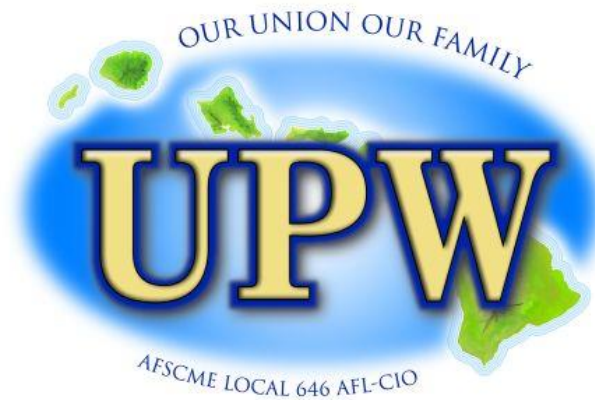
Medicare Part B Premiums

	2017 Medicare Retirees/Spouses	2018 Monthly Premium
Standard Medicare Part B Premium	47,470	\$130/\$134*
Income adjusted premiums (single filers, joint amounts are double) **		
Above \$85,000 up to \$107,000	1,707	\$187.50
Above \$107,000 up to \$133,500	1,219	\$267.90
Above \$133,500 up to \$160,000	320	\$348.30
Above \$160,000	279	\$428.60
	<u>3,525</u>	
	<u>50,995</u>	

Average of \$130 for those enrolled in Medicare Part B prior to 1/1/16 who have their premiums deducted for their social security benefit.

*
\$134 for those enrolling in Medicare after 12/31/15 or who do not have premiums deducted from social security benefits.

Based on a two year income lookback. For example
** the 2018 premium level is based on the 2016 retiree/spouse income.



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Ninth Legislature
Regular Session of 2018

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

The Honorable Roy M. Takumi, Chair
The Honorable Linda Ichiyama, Vice Chair

DATE OF HEARING: Friday, February 9, 2018
TIME OF HEARING: 2:00 p.m.
PLACE OF HEARING: State Capitol, Conference Room 329

**TESTIMONY IN SUPPORT OF HB2466 HD1 RELATING TO THE HAWAII EMPLOYER-
UNION HEALTH BENEFITS TRUST FUND**

By DAYTON M. NAKANELUA,
State Director of the United Public Workers (UPW),
AFSCME Local 646, AFL-CIO

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO. The UPW is the exclusive bargaining representative for approximately 12,000 public employees, which include blue collar non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and four counties. The UPW also represents about 1,500 members of the private sector.

HB2466 prohibits the withholding of any retroactive reimbursement to retired employee-beneficiary and qualified employee-beneficiary's spouse for an income-adjusted Medicare Part B premium based on the time in which the adjustment request is made to the Hawaii employee-union health benefits trust fund that would otherwise have been payable at any time after June 30, 2013.

The UPW strongly supports HB2466. Thank you for the opportunity to submit this testimony.

HB-2466-HD-1

Submitted on: 2/7/2018 5:09:22 PM

Testimony for CPC on 2/9/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Beverly Gotelli		Support	No

Comments:

Chair Takumi, Vice Chair Ichiyama,

I'm a retiree and support HB2466 HD1 which will allow retroactive reimbursemnt for an income adjusted Medicare Part B premium. We know that our older retirees are people of habit. Those who live alone may not know what they need to do when the notices come out. or their caregivers are not familiar with the procedures. Reminders are always good and the more the better.

Something like this measure would help all retirees, who don't intentionally forget to inform the EUTF of Medicare Part B premium changes.

I hope that the dialog will continue and this measure advances through the session.

Thank you for the opportunity to testify.

To: Honorable Scott K. Saiki

From: Phyllis Ida, M.Ed., HSTA-Retired
45-284 Pahikaua Street
Kaneohe, HI 96744, 265-3584

RE: Support of **HB2466** “A Bill for an Act Relating to the Hawaii Employer-Union Health Benefits Trust Fund,”

I am a retiree and am testifying in support of HB 2466. This bill will protect retirees so they will not lose any Medicare Part B reimbursement. Thank you.

LATE

HB-2466-HD-1

Submitted on: 2/9/2018 11:58:31 AM

Testimony for CPC on 2/9/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
czar jerome		Support	No

Comments:

Consumer Protection & Commerce (CPC)

Friday, February 9, 2018

2:00 a.m.

State Capitol, 329

In Consideration

H.B. 2466

Chair Roy M. Takumi, Vice Chair Linda Ichiyama, and members of Consumer Protection &

Commerce (CPC)

I am Czar Jerome de Guzman a resident of this beautiful Island. I am in support of

H.B. 2466 not because this bill affects me directly. I write this because of my concern to our

retirees. Employer-Union Health Benefits Trust Fund, has withheld money to retirees

because of the failure to notify them. Certain retirees, are bedridden that prove difficult to keep

up with the EUTF, when they are busy with other problems. Some retirees move to different

states or countries, and was unaware of this reimbursement being withheld. Regardless of the

situation that the retiree is in, money owed to them should not be kept. H.B. 2466 helps

remedy this situation by reimbursing them and it also prevents it from happening to future

retirees by establishing a notice to them.

Sincerely,

Concern Citizen

LATE

HB-2466-HD-1

Submitted on: 2/9/2018 9:11:29 AM

Testimony for CPC on 2/9/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
James Kimo Apana		Support	No

Comments:

I am a retiree. I am testifying in support of HB 2466.

This bill addresses a limitation that should be removed. The monies belong to the retiree and should be returned whenever they are asked for.

1. This bill will guarantee that no retirees will lose any Medicare Part B reimbursement.
2. Most if not all retirees, need financial help during their golden years.
3. Prior notice or reminder for retirees to give Medicare Part B reimbursement is a good policy.
4. Quite a few retirees go back to their native land i.e. Philippines and sometimes they are not full aware that they need to file changes in Medicare Part B Premiums.

For these reasons that I urge passage of HB2466.

James "Kimo" Apana

LATE

HB-2466-HD-1

Submitted on: 2/9/2018 9:07:18 AM

Testimony for CPC on 2/9/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cyndi Apana		Support	No

Comments:

HB2466 HD1 has my support. Medicare Part B reimbursements are simply returning retirees money. This money belongs to the retiree and should be available whenever the retiree requests it. Mahalo. Cyndi Apana