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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON
SENATE BILL NO. 675, S.D. 1

March 23, 2021
2:00 p.m.
Via Videoconference

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS FUND

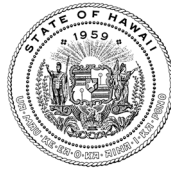
The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 675, S.D. 1.

S.B. No. 675, S.D. 1, amends the definition of "employee-beneficiary" to include the surviving unmarried child of a deceased retired member when the child is incapable of self-support due to a mental or physical incapacity, provided that there is no surviving parent who is eligible to be an employee-beneficiary and the incapacity existed prior to the child reaching the age of 19 years.

As a matter of general policy, B&F does not support the addition of new health benefits or enhancements that would increase the obligations of the public employers, especially when considering the current economic downturn and resulting budget shortfalls.

Thank you for your consideration of our comments.

DAVID Y. IGE
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WRITTEN ONLY

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 SENATE BILL NO. 675 S.D. 1

March 23, 2021
2:00 p.m.
Via Videoconference & Conference Room 329

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not taken a position on this bill. However, EUTF staff would like to provide information and comments.

The intent of this bill is to provide lifetime EUTF health benefit coverage to surviving children who are incapable of self-support because of a mental or physical incapacity that occurred prior to the age of 19, when the retiree and the retiree's spouse are no longer living and/or eligible. This benefit enhancement would increase costs to the employers. Currently, there are 412 such dependents on EUTF health plans. The average age of these currently enrolled dependents is 40 (actuarial life expectancy of 64) and the average age of the subscriber is 73 (actuarial life expectancy of 91). The annual HMSA medical, prescription drug, dental and vision premiums for one such dependent are \$6,364.

Thank you for the opportunity to testify.

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.

SB-675-SD-1

Submitted on: 3/20/2021 12:47:44 PM

Testimony for CPC on 3/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
sandra isokane	Individual	Support	No

Comments:

I am submitting testimony in support of SB675, Amending EUTF Employee Beneficiary Status.

I retired in December of 2018 after dedicating 37 years of service and hard work with the City & County of Honolulu as a fingerprint examiner with the Honolulu Police Department. Prior to that I worked for a private firm but upon persuasion from my aunt to get a government job for future benefits I did, fortunately. My husband retired from a private company after 45 years of employment, and upon retirement lost his medical benefits as they do not provide such continued benefits.

While preparing my retirement forms at the EUTF I was shocked to learn that upon the death of both parents my disabled adult son would lose his benefits too. I was informed that "there are no survivor benefits for a disabled adult child". The very ones who will need good health coverage without both parents. Yet a disabled adult child is eligible for medical benefits if a parent is killed in the line of duty.

I have an unmarried disabled adult son afflicted with a severe form of a neurological movement disorder (Tourette syndrome) that causes loud vocal sounds and involuntary bodily movements. Losing his benefits may most likely mean losing his current group of physicians who are familiar with his medical history. Cost of insurance premiums, co-pays of medical bills and prescription drugs would deplete his limited living expenses.

I would appreciate your support on Bill SB675 to include eligibility for disabled adult children. I am concerned about his future health and well being. As a parent I would like to have peace of mind that my disabled son would be taken care of when we're gone, especially medical needs, and not become an addition to the homeless community. I gave 37 years of dedication and hard work to public service so that I could take care of family at the end.

I'm aware of the government's financial situation but hopefully you see the compassionate side, the human needs side to survive in these trying times. There should not be a price tag on healthcare for those survivors who already live a life with daily challenges, through no fault of their own.

Sincerely, Sandra Isokane

