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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 SENATE COMMITTEE ON JUDICIARY
ON
SENATE BILL NO. 675, S.D. 1

February 25, 2021
9:30 a.m.
Via Videoconference

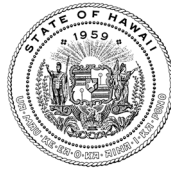
RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS FUND

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.



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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 SENATE COMMITTEE ON JUDICIARY
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RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Chair Rhoads, Vice Chair Keohokalole, 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 continued health benefit coverage to the surviving children with mental or physical incapacity when the retiree and the retiree's spouse is no longer living and/or eligible. It provides healthcare for the children or retirees who dedicated their lives to public service. However, with any benefit enhancement comes additional costs to the employers. Currently, there are 412 such dependents on EUTF health plans. The average age of these currently enrolled dependents is 40 and the average age of the subscriber is 73. The estimated annual premiums for one such dependent are \$6,364

Thank you for the opportunity to testify.

SB-675-SD-1

Submitted on: 2/23/2021 5:50:09 PM

Testimony for JDC on 2/25/2021 9:30:00 AM

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 C&C of Honolulu as a fingerprint examiner with the Honolulu Police Dept. Prior to that I worked with a private firm but upon persuasion from my aunt to get a government job for the benefits I did, fortunately. My husband retired in December of 2019 after 45 years with a private company. Upon retirement he lost his medical benefits as they don't 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 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 medical coverage may most likely mean losing his current group of physicians 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 SB675 to include eligibility for disabled adult children. 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. After all, I put 37 years of hard work into 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 suffer with medical disabilities through no fault of their own.

Sincerely, Sandra Isokane

