



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
201 MERCHANT STREET, SUITE 1700
HONOLULU, HAWAII 96813
Oahu (808) 586-7390
Toll Free 1(800) 295-0089
www.eutf.hawaii.gov

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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 LABOR, CULTURE AND THE ARTS
ON SENATE BILL NO. 2708

January 28, 2022
3:00 p.m.
Conference Room 225 & Videoconference

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Chair Taniguchi, Vice Chair Ihara, and Members of the Committee:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not had a chance to take a position on this bill. Their next meeting is scheduled for February 15, 2022. 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. Over the past five years there were on average four such children per year, with an average expected life of 15 years, who lost coverage due to the passing of their last eligible parent. Using the current annual 2022 Medicare self premiums for medical, prescription drug, dental and vision of \$6,364 and assuming that the employers pay for 100% of the coverage, estimated annual cost to the employers is approximately \$382,000 (4 per year * 15 years * \$6,364). Projected

impact to the all employers' unfunded actuarial accrued liability is an increase of \$8.3 million (\$6.1 million for the State).

Thank you for the opportunity to testify.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii
The Senate
Committee on Labor, Culture and the Arts

Testimony by
Hawaii Government Employees Association

January 28, 2022

**S.B. 2708 – RELATING TO THE HAWAII EMPLOYER-
UNION HEALTH BENEFIT TRUST FUND**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of S.B. 2708 which amends the definition of “employee-beneficiary” to include the surviving unmarried adult child of a deceased retired member if the child is incapable of self-support due to a mental or physical incapacity that existed prior to the child’s reaching the age of nineteen.

We understand there are on average four adult disabled children per year with no surviving parent on the EUTF medical plan. Since these children are incapable of self-support, we believe ensuring continued health care far outweighs the slight cost increase to the EUTF. Further, and most importantly, our civil servants have dedicated their careers to public service and their lives to care for their disabled children. They deserve the peace of mind in knowing that their children will continue to be taken care of once they have passed.

Thank you for the opportunity to submit testimony in support of S.B. 2708.

Respectfully submitted,

Randy Perreira
Executive Director

SB-2708

Submitted on: 1/26/2022 2:08:47 PM

Testimony for LCA on 1/28/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
sandra isokane	Individual	Support	No

Comments:

I am submitting testimony in support of SB2708, Amending EUTF Employee Beneficiary Status

I retired after 37 years of service with the City & County of Honolulu as a fingerprint examiner with the Honolulu Police Department. I was thankful government employment provided continued health benefits for retirees and dependents.

However, during the retirement process at the EUTF I was shocked to learn upon the death of both parents my disabled adult son would lose his health benefits too. The reason being “there are no survivor benefits for a disabled adult child”. Yet a disabled adult child is eligible for benefits if a parent is killed in the line of duty.

My son is afflicted with a severe form of Tourette syndrome, a neurological movement disorder. Losing his benefits may most likely mean losing his current group of physicians familiar with his medical history. Cost of insurance premiums, co-pays of bills and prescription drugs would deplete his limited living expenses.

The importance of having good (continued) health benefits hit home this past holiday season when my mom died. Prior to her passing we discovered her Medicare plan didn’t provide for a specific service. Her out-of-pocket expense would have been enormous, thousands of dollars a month. She passed away while applying for government assistance. I just can’t imagine my son in a similar situation, and without us to help him.

As a parent I would like to have peace of mind that my disabled son would have continued health coverage when we’re gone, and not become another addition to the homeless community. I dedicated 37 years to public service with the belief that I could take care of my family at the end.

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

I would appreciate your support on Bill SB 2708 to include continued eligibility for disabled adult children survivors.

Sincerely, Sandra Isokane



THE SENATE
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2022

Committee on Labor, Culture and the Arts
Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair

Friday, January 28, 2022, 3:00PM
Conference Room 225 and Videoconference

**Re: Testimony in Support of SB2708 - RELATING TO THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND**

Chair Taniguchi, Vice Chair Ihara, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents 1,500 members in the private sector.

UPW **supports** SB2708, which would amend the definition of “employee-beneficiary” to include the surviving unmarried adult child of a deceased retired member if the child is incapable of self-support due to a mental or physical incapacity that existed prior to the unmarried child’s reaching the age of nineteen years.

After dedicating years of service, public employees should not have to worry about what will happen to their families after they’ve passed on. SB2708 will ensure that beneficiaries defined in this bill will continue to have access to benefits and retired public employees will have peace of mind that their eligible beneficiaries will be provided for.

Thank you for the opportunity to provide testimony.

Sincerely,

Liz Ho
Administrator

UNITED PUBLIC WORKERS
AFSCME Local 646, AFL-CIO

