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## HOUSE RESOLUTION

REQUESTING A STUDY ON THE PREVALENCE, IF ANY, OF UNNECESSARY PAYMENTS MADE FROM THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND TO INSURERS FOR HEALTH BENEFITS PLAN PREMIUMS OF DECEASED INDIVIDUALS, AND AN ANALYSIS OF POSSIBLE SOLUTIONS, STATUTORY OR OTHERWISE, THAT MAY ELIMINATE OR SIGNIFICANTLY REDUCE SUCH PAYMENTS.

1           WHEREAS, state and county employees, retirees, and their  
2 dependents have been enrolled in a single health benefits  
3 delivery system, known as the Employer-Union Health Benefits  
4 Trust Fund, for over a decade; and

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6           WHEREAS, health benefits are significant costs for public  
7 employers; and

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9           WHEREAS, the unfunded actuarial accrued liability of the  
10 Employer-Union Health Benefits Trust Fund is approximately  
11 \$14,000,000,000; and

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13           WHEREAS, monies in the Employer-Union Health Benefits Trust  
14 Fund should not be spent unnecessarily; and

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16           WHEREAS, other jurisdictions within the United States of  
17 America, such as the City of Buffalo and the City of Woonsocket,  
18 have endured public embarrassment as those jurisdictions have  
19 spent monies unnecessarily to pay for the health benefits plan  
20 premiums of the deceased; and

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22           WHEREAS, the State should take steps to avoid wasting  
23 monies from the Employer-Union Health Benefits Trust Fund in a  
24 similar matter; and

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26           WHEREAS, monies from the Employer-Union Health Benefits  
27 Trust Fund are distributed to insurers for the payment of  
28 beneficiaries' health benefits plan premiums, except with regard  
29 to premiums for the benefit of out-of-state retirees who receive



1 premium reimbursements pursuant to section 87A-33.5, Hawaii  
2 Revised Statutes; and

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4 WHEREAS, under sections 4.11 and 4.12(c), Employer-Union  
5 Health Benefits Trust Fund Administrative Rules, coverage under  
6 a health benefits plan may be cancelled if an employee-  
7 beneficiary is required to pay his or her required contributions  
8 toward health benefit plan premiums but fails to timely pay  
9 those contributions; and

10  
11 WHEREAS, the death of such an employee-beneficiary would  
12 automatically stop the distribution of monies from the Employer-  
13 Union Health Benefits Trust Fund to the employee-beneficiary's  
14 insurer for payments of health benefits plan premiums; and

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16 WHEREAS, conversely, there are some "noncontributing  
17 beneficiaries" who are not current employees, who are not  
18 dependent-beneficiaries of current employees, and who are not  
19 required to pay any contributions toward their health benefit  
20 plan premiums; and

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22 WHEREAS, under current statutes and administrative rules,  
23 the death of a noncontributing beneficiary does not appear to  
24 automatically stop the distribution of monies from the Employer-  
25 Union Health Benefits Trust Fund to the noncontributing  
26 beneficiary's insurer for payments of health benefits plan  
27 premiums; and

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29 WHEREAS, it is therefore possible that the administration  
30 of the Employer-Union Health Benefits Trust Fund, while  
31 attempting to fulfill its duties under the law, is nonetheless  
32 sending unnecessary health benefit plan premium payments to  
33 insurers; and

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35 WHEREAS, the statutes or administrative rules may require  
36 revision in order to create a permanent process that prompts the  
37 cancellation of health benefits plans for deceased  
38 noncontributing beneficiaries; and

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40 WHEREAS, however, any change to Chapter 87A, Hawaii Revised  
41 Statutes, or relevant administrative rules could have wide-



1 ranging and far-reaching impacts on the beneficiaries of the  
2 Employer-Union Health Benefits Trust Fund; now, therefore,

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4 BE IT RESOLVED by the House of Representatives of the  
5 Twenty-sixth Legislature of the State of Hawaii, Regular Session  
6 of 2012, that the Board of Trustees of the Employer-Union Health  
7 Benefits Trust Fund and the Department of Budget and Finance are  
8 requested to study the prevalence, if any, of unnecessary  
9 payments made from the Employer-Union Health Benefits Trust Fund  
10 to insurers for health benefits plan premiums of deceased  
11 individuals; and

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13 BE IT FURTHER RESOLVED that the Board of Trustees of the  
14 Employer-Union Health Benefits Trust Fund and the Department of  
15 Budget and Finance, with the assistance of the Department of  
16 Health as needed, are requested to make an analysis of the  
17 effectiveness and fairness of solutions, statutory or otherwise,  
18 that may eliminate or greatly reduce such unnecessary payments,  
19 including but not limited to:

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21 (1) The Board of Trustee's submission of, on an annual  
22 basis, a list of noncontributing beneficiaries to the  
23 Department of Health; provided that the Department of  
24 Health monitor the issuance of certificates of death  
25 for each of the individuals on the list; provided  
26 further that the Department of Health submit a  
27 responsive list of deceased noncontributory  
28 beneficiaries to the Board of Trustees; provided  
29 further that the Board of Trustees cancel the health  
30 benefit plans of anyone on the Department of Health's  
31 responsive list;

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33 (2) The Board of Trustee's submission of, on an annual  
34 basis, a letter to each noncontributing beneficiary,  
35 requesting confirmation of the noncontributing  
36 beneficiary's desire to continue to receive benefits;  
37 provided that the noncontributing beneficiary's health  
38 plan is cancelled if the beneficiary does not respond;  
39 provided further that any noncontributing beneficiary  
40 has the right to appeal;

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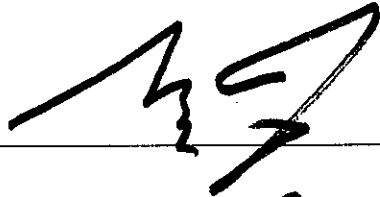

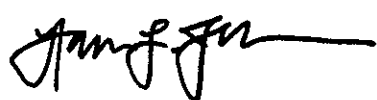


1 (3) Any other solution that is fair and equitable to all  
2 relevant parties; and  
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4 BE IT FURTHER RESOLVED that the Board of Trustees of the  
5 Employer-Union Health Benefits Trust Fund and the Department of  
6 Budget and Finance are requested to submit their study and  
7 analysis to the Legislature at least twenty days prior to the  
8 convening of the Regular Session of 2013; and  
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10 BE IT FURTHER RESOLVED that certified copies of this  
11 Resolution be transmitted to the Chairperson of the Board of the  
12 Employer-Union Health Benefits Trust Fund, the Director of  
13 Finance, and the Director of Health.  
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OFFERED BY:

MAR 01 2012

