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A BILL FOR AN ACT

RELATING TO UNCLAIMED PROPERTY OF THE HAWAII EMPLOYER-  
UNION HEALTH BENEFITS TRUST FUND.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the Hawaii employer-  
2 union health benefits trust fund (EUTF) currently does not have  
3 a means to void claims for insignificant amounts of unclaimed  
4 property after a sufficient time period has passed. As a  
5 covered entity under the federal Health Insurance Portability  
6 and Accountability Act of 1996, the EUTF is precluded from  
7 submitting unclaimed property to the State Department of Budget  
8 and Finance Unclaimed Property Program. Under section 523A-  
9 19(c), Hawaii Revised Statutes, the State unclaimed property  
10 program is able to void claims for unclaimed property less than  
11 \$100 and filed ten years after the date that the full amount of  
12 the claim was deposited in the unclaimed property trust fund.

13           The purpose of this Act is to provide a means for the EUTF  
14 to void claims for reimbursement of medicare part B premiums or  
15 any other debt payable that total less than \$500 and are older  
16 than ten years.

H.B. NO. 1064

1 SECTION 2. Section 87A-31, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§87A-31 Trust fund; purpose.** (a) The fund shall be used  
4 to provide employee-beneficiaries and dependent-beneficiaries  
5 with health and other benefit plans, and to pay administrative  
6 and other expenses of the fund. All assets of the fund are and  
7 shall be dedicated to providing health and other benefits plans  
8 to the employee-beneficiaries and dependent-beneficiaries in  
9 accordance with the terms of those plans and to pay  
10 administrative and other expenses of the fund, and shall be used  
11 for no other purposes except for those set forth in this  
12 section.

13 (b) The fund, including any earnings on investments, and  
14 rate credits or reimbursements from any carrier or self-insured  
15 plan and any earning or interest derived therefrom, may be used  
16 to stabilize health and other benefit plan rates; provided that  
17 the approval of the governor and the legislature shall be  
18 necessary to fund administrative and other expenses necessary to  
19 effectuate these purposes.

20 (c) The fund may be used to provide group life insurance  
21 benefits to employees to the extent that contributions are

H.B. NO. 1064

1 provided for group life insurance benefits in sections 87A-32  
2 and 87A-37.

3 (d) The fund may assist the State and the counties to  
4 implement and administer cafeteria plans authorized under Title  
5 26 United States Code section 125, the Internal Revenue Code of  
6 1986, as amended, and section 78-30.

7 (e) At the discretion of the board, some or all of the  
8 fund may be used as a reserve against or to pay the fund's  
9 future costs of providing health and other benefits plans  
10 established under sections 87A-23 and 87A-37 and any other  
11 benefits plans the board establishes for retired employees and  
12 their beneficiaries. The board may create separate funds within  
13 the fund for this purpose. Each separate fund shall be subject  
14 to all of the provisions of this chapter.

15 (f) If after commencing the reimbursement of medicare part  
16 B premiums in section 87A-23, or any other debt payable under  
17 this chapter, the fund cannot locate the employee-beneficiary or  
18 other person or entity entitled to payment, further payment  
19 shall be forfeited if less than \$500 to the fund and shall not  
20 escheat under the laws of any state; provided that the forfeited  
21 payment shall be restored if the employee-beneficiary, or other  
22 person or entity entitled to the forfeited payment, makes a

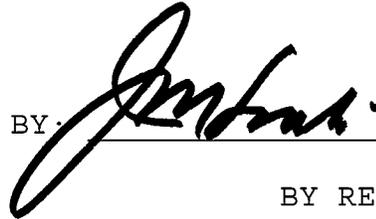
H.B. NO. 1064

1 proper application to the fund for restoration of the benefit no  
2 later than ten years following the last valid reimbursement or  
3 payment. All applications for restoration of a forfeited  
4 benefit or payment shall be in a form satisfactory to the fund.  
5 For forfeited benefits or payments in existence on June 30,  
6 2017, the ten-year time limitation on claiming the benefits or  
7 payments shall commence on July 1, 2017."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act, upon its approval, shall take effect  
10 on July 1, 2017.

11  
12 INTRODUCED BY: \_\_\_\_\_



13 BY REQUEST

14 JAN 23 2017

# H.B. NO. 1064

**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund

**Description:**

Adds a provision to section 87A-31, Hawaii Revised Statutes, that provides a means for the EUTF to void claims for reimbursement of medicare part B premiums or any other debt payable that total less than \$500 and are older than ten years.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY OF THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

PURPOSE: To provide a means for the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to void claims for reimbursement of medicare part B premiums or any other debt payable less than \$500 and are older than ten years.

MEANS: Amend section 87A-31, Hawaii Revised Statutes (HRS).

JUSTIFICATION: The EUTF currently does not have a means to void claims for insignificant amounts of unclaimed property after a sufficient time period has passed. As a covered entity under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), the EUTF is precluded from submitting unclaimed property to the State Department of Budget and Finance Unclaimed Property Program. Under chapter 523A-19(c), Hawaii Revised Statutes (HRS), the State Unclaimed Property Program is able to void claims for unclaimed property less than \$100 and filed ten years after the date that the full amount of the claim was deposited in the unclaimed property trust fund. Currently, over 95 percent of the EUTF's outstanding checks over 180 days old are less than \$350 as the majority of outstanding checks relate to quarterly medicare part B reimbursements which are approximately \$315. However, this quarterly medicare part B reimbursement is expected to increase in the future (e.g., retirees who enroll in medicare part B after December 31, 2015 have a higher monthly premium of \$134.00).

Impact on the public: The unclaimed property of members, their estates, or other payees of the EUTF will become void if it is less than \$500 and outstanding over ten years.

Impact on the department and other agencies:  
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: None.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: July 1, 2017.