

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:

SECTION 1. The legislature finds that the Hawaii employer-union health benefits trust fund (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, the EUTF is precluded from submitting unclaimed property to the department of budget and finance unclaimed property program. Under section 523A-19(c), Hawaii Revised Statutes, the state unclaimed property program voids claims for unclaimed property if the claim is for less than \$100 and filed more than ten years after the date that the full amount of the claim was deposited in the unclaimed property trust fund.

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

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

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

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

(c) The fund may be used to provide group life insurance benefits to employees to the extent that contributions are provided for group life insurance benefits in sections 87A-32 and 87A-37.

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

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

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

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

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)