



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND


P.O. BOX 2121
HONOLULU, HAWAII 96805-2121
Oahu (808) 586-7390
Toll Free 1(800) 295-0089
www.eutf.hawaii.gov

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January 25, 2016

TO: All State and County Employees

FROM: Derek Mizuno, Administrator 

SUBJECT: Amendments to the EUTF Administrative Rules

On January 12, 2016, changes to the EUTF Administrative Rules (Rules) were approved by the Governor and filed with the Lt. Governor's office. The amended Rules can be viewed in their entirety at EUTF's website at eutf.hawaii.gov. The following is a summary of the three changes that were made:

1. Reinstatement After Termination for Non-Payment. When employees are on leave without pay; when salary, vacation or sick leave pay is less than health benefit premium deductions; or when employees receive workers' compensation or temporary disability payments, employees must send EUTF a monthly payment to cover any shortfall between the employee's share of the monthly premium and the health benefit premium deductions, if any. If timely payment is not received, the EUTF mails a Notice for Health Insurance Premium Shortage (Shortage Notice) to the employee's mailing address. The employee has 30 days from the date of the Shortage Notice to submit payment for the full amount listed in the Shortage Notice. If full payment is not received by the EUTF within 30 days, the employee and dependent's health benefit coverage is terminated retroactively back to the end of the pay period of their last full payment for premiums.

This Rule change allows reinstatement of the terminated employee and their dependent's health benefit coverage that was cancelled for non-payment, if within 30 days from the date of the notice of cancellation, payment is made in full of past and currently due premiums. Additionally, to be eligible for reinstatement the terminated member must not have been terminated for non-payment of premiums within 12 months from the date of the notice of cancellation.

2. Adult Disabled Children. This Rule change reinstates the requirement that dependents who are incapable of self-support because of a mental or physical incapacity that existed prior to the child reaching the age of nineteen not be married. The Rule change is

EUTF's Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide service that is excellent, courteous, compassionate, and informative.

applicable only in situations in which the Affordable Care Act does not apply (i.e. dependents age 26 or older for medical and prescription drug coverage, and age 19 or older for dental and vision coverage).

3. Newborn Enrollment Form Deadline. This Rule change extends the deadline for filing an enrollment form to add newborns from 60 to 180 days.

Although this is not a Rule change, EUTF will now be requiring proof of new enrollment in non-EUTF health benefit plans, when a member requests cancellation of his/her plans outside of an open enrollment due to enrollment in non-EUTF health benefit plans. This new procedure is in accordance with the last sentence of EUTF Administrative Rule 4.11(d) Cancellation Due to Acquiring Coverage from a Non-Fund Plan (see attached) that states, "Proof documents may be required."

If you have any questions on the above Rule changes, please contact your personnel officer.

Attachment

ATTACHMENT

beginning of the next pay period in which the termination of employment occurred, without a break in coverage.

4.10 Contribution Shortages

A notice of contribution shortage shall be sent to an employee-beneficiary at his or her last known address if any portion of the employee-beneficiary's required semi-monthly or monthly contributions is not paid or is not withheld from the employee-beneficiary's earnings and transmitted to the Fund. The notice shall be sent within thirty days of the date on which the required semi-monthly or monthly contribution payment was due. Cancellation of the employee-beneficiary's enrollment due to any contribution shortage shall be as per Rule 4.11(b), and reinstatement of the employee-beneficiary's enrollment after any such cancellation shall be as per Rule 4.13(b).

4.11 Cancellation of Enrollment; Effective Dates of Cancellation

- (a) Cancellation Due to Ineligibility. The enrollment of any ineligible person who was enrolled in error or is ineligible to enroll in or be covered in a benefit plan offered or sponsored by the Fund shall be canceled:
- (1) When the person is notified of the error or ineligibility prior to the effective date of the enrollment, the person shall be treated as if the enrollment application was not submitted.
 - (2) When the person is notified after the effective date of the enrollment, the enrollment shall be canceled effective the last day of the pay period following the date of issuance of a thirty (30) day written notice.
- (b) Cancellation Due to Failure to Pay Contribution Shortage. If any portion of an employee-beneficiary's required semi-monthly or monthly contributions is not paid or is not withheld from the employee-beneficiary's earnings and transmitted to the Fund within thirty (30) days of the date of the notice of contribution shortage in Rule 4.10, the employee-beneficiary's enrollment and all coverages for dependent-beneficiaries under that enrollment shall be cancelled as of the first day following the last period for which full payment of the employee-beneficiary's required semi-monthly or monthly contributions were paid and transmitted to the Fund and the employee-beneficiary may only apply for a new enrollment at the next open enrollment as per Rule 4.13(a).

However, the enrollment of the employee-beneficiary and his or her dependent-beneficiaries may be reinstated as provided in Rule 4.13(b). Cancellation of an employee-beneficiary's enrollment pursuant to this rule shall not affect the Fund's right to collect any and all contribution shortages from the employee-beneficiary.

- (c) Cancellation Due to Failure to Comply with Rules. If an employee-beneficiary materially fails to comply with any of the Fund's rules, the employee-beneficiary's enrollment in all of the benefit plans offered or sponsored by the Fund and all coverages for dependent-beneficiaries under that enrollment may be canceled after notice of such has been provided to the employee-beneficiary. The board may set standards and procedures for providing notice to employee-beneficiaries under this rule. The notice shall at a minimum specify how the employee-beneficiary has failed to comply with the Fund's rules, and a date by which the employee-beneficiary must comply with the Fund's rules in order to avoid cancellation. The effective date of the cancellation shall be the date set forth in the notice as to when the employee-beneficiary must comply with the Fund's rules in order to avoid cancellation.

- (d) Cancellation Due to Acquiring Coverage From a Non-Fund Plan. An employee-beneficiary may cancel enrollment in a Fund benefit plan upon acquiring coverage from a non-Fund plan by filing an enrollment application to the employee-beneficiary's employer or, if none, directly with the Fund requesting cancellation. The enrollment application must be filed with the employee-beneficiary's employer, or, if none, directly to the Fund within thirty (30) days of acquiring coverage from the non-Fund plan. The effective date of cancellation shall be the end of the pay period in which the employee-beneficiary acquires coverage from the non-Fund plan, except when the employee-beneficiary acquires coverage from the non-Fund plan on the first or the sixteenth of the month, in which case coverage ends at the end of the prior pay period.

Proof documents may be required.

- (e) Cancellation When Beginning a Leave of Absence Without Pay. An employee-beneficiary may voluntarily cancel enrollment in all Fund benefit plans when beginning a leave of absence without pay that is expected to last more than one month. An enrollment application must be filed with the employee-beneficiary's employer requesting cancellation of all plans within thirty (30) days of the beginning of the leave of absence