

REPORT TO THE 2006 LEGISLATURE
IN RESPONSE TO HOUSE RESOLUTION NO. 198, H.D. 1
REQUESTING A REPORT ON THE NUMBER OF
LESS THAN FULL-TIME PUBLIC EMPLOYEES
THAT ARE INELIGIBLE FOR HEALTH BENEFITS

Prepared by the Department of Human Resources Development

December 2005

BACKGROUND

House Resolution 198, H.D. 1, requested that the Department of Human Resources Development (HRD), the Judiciary (JUD), the Department of Education (DOE), University of Hawaii (UH), and the Hawaii Health Systems Corporation (HHSC) report on the number of employees under their respective jurisdictions who:

1. Are considered part-time employees;
2. Are considered 89-day hires;
3. Occupy a position that is at least half of a full-time equivalent position and who work less than 20 hours a week; and
4. Are not receiving health or pension benefits.

In addition, the above referenced jurisdictional entities were asked to provide the following information:

5. The length of time 89-day hires are retained on average;
6. Whether these employees are receiving benefits from another source; and
7. If benefits are being received, what the source is (whether it is through a pension plan, Quest (Medicaid), or through a spouse's employment or pension system).

HRD was tasked with the responsibility of reporting the combined findings and any recommendations to the 2006 Legislature. Therefore, we developed a common survey which could be used by all jurisdictions in collecting the required information from the targeted employees.

A total of 5,871 civil service and exempt employees were surveyed by the jurisdictions — 561 by HRD, 294 by HHSC, 8 by the JUD, and 5,008 by the UH. The DOE did not provide data for inclusion in this report.

Generally, these employees fell into one of the following categories:

- Part-time employees appointed to their positions for 89 days or less;
- Part-time employees appointed to their positions for a duration of greater than 89 days where their full-time equivalency (FTE) was less than 50%; and
- Full-time employees appointed to their positions for 89 days or less.

(Note: Student helpers and student interns were not included in the survey since they do not occupy regular positions.)

Summary reports provided by the various jurisdictions are attached to this report.

FINDINGS

A total of 5,871 surveys were sent out to employees who were identified by the jurisdictions as being ineligible for health benefits due to the duration of their appointment and/or FTE status, as of September 1, 2005.

Nine hundred seventy-two (972) surveys, or 17% of the surveys, were completed and returned by employees. Of the respondents, 654 (67%) were part-time employees. The remaining 318 respondents (33%) were full-time.

Retention of Employees Appointed to Positions for 89 Days or Less

Employees may be appointed to civil service positions for 89 days or less. An 89-day appointment is a non-civil service appointment for 89 calendar days or less. The appointment is made by an appointing authority without regard to the minimum qualification requirements of the position and this is done in order to meet immediate operational needs. In situations where an employee's FTE is less than 50%, the appointment to the civil service position can be for 37 consecutive weeks (259 days).

Each 89-day appointment is considered a separate, distinct appointment with its own start and end dates. There is also a required minimum of one (1) work day break between 89-day appointments. Therefore, when calculating the length of time 89-day hires are retained on the average, the correct answer is "**89 days.**"

However, it appears that HR 198 is asking that we assume 89-day appointments be continuous and uninterrupted by the requisite intervening break in service, when computing the average length of time that 89-day hires are retained. Therefore, assuming that the 89-day appointments (with a one work-day break between appointments) are continuous and uninterrupted, we have utilized two different methods to estimate the average length of retention for employees. Each method relies on a different data source.

1. Based on data from HRD's Human Resources Management System, we learned that 93 of the employees surveyed (or 17%) had successive non-civil service appointments from August 31, 2004 to September 1, 2005. We then took the total number of days from these appointments and divided it by 93 (i.e., the number of

surveyed employees with successive non-civil service appointments from August 31, 2004 to September 1, 2005). The results of these calculations are as follows:

1. Two (2) part-time employees working less than 20 hours per week were retained for an average of **287 days**¹;
2. Two (2) part-time employees working more than 20 hours per week were retained for an average of **404 days**¹; and
3. Eighty-nine (89) full-time employees were retained for an average of **275 days**¹.

2. The second method to calculate the estimated average length of retention is based on the number of employees who responded to the survey. We took the total number of days from all 89-day appointments from August 31, 2004 to September 1, 2005 (regardless of how long the break was between appointments) and divided that number by 255 (i.e., the number of employees under HRD's jurisdiction who responded to the survey). Utilizing this method, the following averages were reported by HRD², UH, and the JUD, for employees appointed to positions for 89 days or less who responded to the survey^{3,4}:

HRD reported:

1. Part-time employees working less than 20 hours per week were retained for an average of **132 days**⁵;
2. Part-time employees working 20 or more hours per week were retained for an average of **81 days**; and
3. Full-time employees were retained for an average of **200 days**.

UH reported:

1. Part-time employees working less than 20 hours per week were retained for an average of **32 days**;
2. Part-time employees working 20 or more hours per week were retained for an average of **87 days**; and
3. Full-time employees were retained for an average of **58 days**.

¹ Includes entire appointment period if an employee was appointed to a position prior to 9/1/05 and the appointment not-to-exceed date was beyond September 1, 2005.

² HRD data covers employees of all State Executive Branch departments who are under the jurisdiction of the Department of Human Resources Development. Such data does not include DOE employees and UH Board of Regents appointees.

³ Average includes employees who may have more than one 89-day appointment from August 31, 2004 to September 1, 2005.

⁴ HHSC reported that they were unable to provide this data.

⁵ Employees who work less than 20 hours per week may be appointed to positions for a period not to exceed 37 consecutive weeks. (Ref: HRD Policy & Procedure on Types of Appointments, Policy No. 300.001)

Judiciary reported that their full-time employees were retained for an average of **87 days**.

Pension Benefits

180 employees (or approximately 18% of the total number of respondents) were receiving pension benefits — 134 part-time employees and 46 full-time employees:

- 102 of these employees were receiving pension benefits from State government,
- 14 employees were receiving pension benefits from the federal government, and
- the remaining 64 employees were receiving pension benefits from other sources (e.g., private company, social security, etc.).

A small number of employees reported that they received pension benefits from multiple sources.

Health Benefits

Forty-three percent (43%) of the total number of respondents, or 419 employees, reported that they had health benefit coverage from sources other than from the State government (e.g., spouse's employment, another job, Quest (Medicaid), pension plan, purchased, etc.). Fifteen percent (15%) of the respondents, or 146 employees, reported that they did not have health benefit coverage. The remaining 42% of the respondents, or 407 employees, did not answer the question on the survey. A small number of employees reported that they had health benefit coverage from multiple sources.

Of the 146 respondents who reported that they did not have health benefit coverage, 30 indicated that they were eligible for a health benefit program but had chosen not to enroll. The primary reason given was that the cost was too expensive. It would appear, then, that the remaining 116, or 12% of the total number of respondents, were not eligible for a health benefit program.

Approximately 26% of the respondents, or 254 employees, reported that they would be willing to purchase health benefit coverage even if the amount they have to contribute towards the health plan premium amount is \$108 per month.⁶ Twenty-nine percent (29%) of the respondents, or 287 employees, reported that they would not be willing to purchase health benefit coverage. The majority of the employees who indicated that they were not interested in purchasing health benefit coverage noted that

⁶ *This is the amount that regular State employees currently pay for "Self Only" health plan coverage. The State employer pays the difference in the monthly health premium amount.*

the estimated cost (\$108 per month) was too expensive or that their current health benefit coverage was sufficient. Forty-four percent (44%) of the respondents, or 431 employees, did not answer the question on the survey.

RECOMMENDATIONS

We have determined that we are unable to draw any definitive conclusions relative to the number of less than full-time State employees who are not receiving any health or pension benefits from any source. The following are reasons why we are unable to make any conclusions:

- Data was unavailable from DOE, which has the largest number of less than full-time employees and 89-day appointments.
- Of the 5,781 employees surveyed by HRD, HHSC, JUD, and UH, only 972 (17%) responded.
- Of the 972 who responded, 407 did not respond as to whether or not they have health benefit coverage.

To better determine the number of less than full-time employees who are without health or pension benefits and the cost impact of providing health and/or pension benefits to that target employee population, HRD recommends that:

1. Data be obtained from the DOE;
2. Data be obtained from the other County jurisdictions since comparable benefits should be considered for less than full-time County employees as well.
3. Input be obtained from the Hawaii Employer-Union Health Benefits Trust Fund in terms of their administrative costs and challenges to implement/administer health benefits for this transient employee population and the estimated contribution amount that might have to be paid by the less than full-time employee for Self Only or Family coverage⁷; and
4. Input be obtained from the Employees' Retirement System in terms of their administrative costs and challenges to implement/administer retirement benefits for this transient employee population.

⁷ Section 87A-19, *Hawaii Revised Statute*, authorizes the Board of the Hawaii Employer-Union Health Benefits Trust Fund to offer medical, hospital, and surgical benefits plans to part-time, temporary, and seasonal or casual employees at no cost to the employers.

SURVEY FOR
HOUSE RESOLUTION NO. 198, H.D. 1, SLH 2005

REQUESTING A REPORT ON THE NUMBER OF PUBLIC EMPLOYEES THAT ARE
INELIGIBLE FOR RETIREMENT PENSION & HEALTH BENEFITS

1. Average number of hours worked per week.

- Less Than 20 Hours Per Week
- 20 or More Hours But Less Than 40 Hours Per Week
- 40 Hours Per Week

2. Do you currently receive a retirement pension?

- Yes
- No

If you are currently receiving retirement pension benefits, please indicate the source.

- State Government
- Federal Government
- Private Company
- Social Security
- Other _____
(Please Indicate Source)

3. Do you currently have health coverage?

- Yes
- No

If yes, please indicate the source below.

- | | |
|--|--|
| <input type="checkbox"/> State or County Retiree Health Plan | <input type="checkbox"/> Quest (Medicaid) |
| <input type="checkbox"/> Private Employer Retiree Health Plan | <input type="checkbox"/> Spouse's Employment |
| <input type="checkbox"/> Second Job | <input type="checkbox"/> Spouse's Pension System |
| <input type="checkbox"/> Other _____
(Please Indicate Source) | |

4. If your answer to #3 above was no, are you eligible for health coverage but have chosen NOT to enroll?

- Yes
- No

If your response is yes, please indicate your reason below.

- Too Expensive
- Other _____
(Please Indicate Reason)

Continued on Back

5. If you could purchase health benefits through your state job, would you enroll?

Yes

No

If your response is yes, would you be willing to pay \$108* per month, at a minimum?

Yes

No

If your response is no, please indicate your reason below.

Too Expensive

Other _____
(Please Indicate Reason)

*This is the amount that regular state employees currently pay for "Self Only" health plan coverage. Actual cost would be subject to health plan design and other factors.

**CONSOLIDATED SUMMARY REPORT
(HRD, HHSC, JUD, UH)**

Appointment Duration	Part-Time Employees			Full-Time Employees
	Less Than 50%	Greater Than or Equal to 50%	Total	
89 Days or Less	273*	99*	372*	318*
Greater Than 89-Days	281	0	281	0
Part-Time Intermittent	1	0	1	0
TOTAL	555	99	654	318*
Average Length of Time 89-Day Hires are Retained				
Number of Days:				
Health Benefits				
Pension Plan	69	20	89	29
Quest (Medicaid)	18	1	19	11
Spouse's Employment	54	16	70	36
Spouse's Pension Plan	4	2	6	1
Other	110	19	129	33
Number of Employees with Health Benefit Coverage:	252**	57**	309**	110
Number of Employees Who Do Not Have Health Benefit Coverage:	69	28	97	49
Unable to Determine if Employees Have Health Benefit Coverage:	234	14	248	159
TOTAL	555**	99**	654**	318
Pension Benefits				
State Government	56	15	71	31
Federal Government	9	1	10	4
Private Company	19	4	23	6
Social Security	23	3	26	12
Other	11	0	11	4
Number of Employees Receiving Pension Benefits:	116**	18**	134**	46**
Number of Employees Who Do Not Receive Pension Benefits:	198	66	264	120
Unable to Determine if Employee Receives Pension Benefits:	241	15	256	152
TOTAL	555**	99**	654**	318**
Employees Who Are Eligible to Receive Health Benefits from Another Source But Have Chosen NOT to Enroll				
Number of "No" Responses	73	18	91	42
Number of "Yes" Responses	14	4	18	12
Reason for Not Enrolling:				
Too Expensive	5	4	9	9
Covered by Spouse	0	0	0	0
Other	4	1	5	2
Employees Interest in Purchasing Health Benefits Through Current Job				
Number of "Yes" Responses	108	59	167	87
Number of "No" Responses	182	40	222	65
Reason for No Interest				
Too Expensive	57	15	72	31
Covered by Spouse	22	7	29	10
Other	78	17	95	23

*Includes employees with multiple 89-day appointments from 8/31/04 to 9/1/05.

**Some employees reported multiple health benefits and/or pension coverages.

**STATE EMPLOYEES UNDER THE JURISDICTION OF THE
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT**

Appointment Duration	Part-Time Employees			Full-Time Employees
	Less Than 50%	Greater Than or Equal to 50%	Total	
89 Days or Less	10*	30*	40*	168*
Greater Than 89-Days	47	0	47	0
TOTAL	57*	30*	87*	168*
Average Length of Time 89-Day Hires are Retained				
Number of Days:	132	81		200
Health Benefits				
Pension Plan	12	10	22	21
Quest (Medicaid)	14	0	14	11
Spouse's Employment	5	4	9	29
Spouse's Pension Plan	1	1	2	1
Other	14	6	20	22
Number of Employees with Health Benefit Coverage:	43**	20**	63**	84
Number of Employees Who Do Not Have Health Benefit Coverage:	12	2	14	38
Unable to Determine if Employees Have Health Benefit Coverage:	2	8	10	46
TOTAL	57**	30**	87**	168
Pension Benefits				
State Government	6	8	14	17
Federal Government	1	1	2	4
Private Company	3	3	6	6
Social Security	15*	3	18	10
Other	1	0	1	2
Number of Employees Receiving Pension Benefits:	25**	10**	35**	28**
Number of Employees Who Do Not Receive Pension Benefits:	30	12	42	93
Unable to Determine if Employee Receives Pension Benefits:	2	8	10	47
TOTAL	57**	30**	87**	168**
Employees Who Are Eligible to Receive Health Benefits from Another Source But Have Chosen NOT to Enroll				
Number of "No" Responses	10	1	11	29
Number of "Yes" Responses	2	1	3	10
Reason for Not Enrolling:				
Too Expensive	2	1	3	8
Covered by Spouse	0	0	0	0
Other	0	0	0	2
Employees Interest in Purchasing Health Benefits Through Current Job				
Number of "Yes" Responses	13	7	20	59
Number of "No" Responses	41	13	54	53
Reason for No Interest				
Too Expensive	20	2	22	26
Covered by Spouse	0	1	1	7
Other	9	6	15	15

*Includes employees with multiple 89-day hire appointments.

**Some employees reported multiple health benefit and/or pension coverage.

**HAWAII HEALTH SYSTEMS CORPORATION
EMPLOYEES**

Appointment Duration	Part-Time Employees			Full-Time Employees
	Less Than 50%	Greater Than or Equal to 50%	Total	
89 Days or Less	131	28	159	116
Greater Than 89-Days	19	0	19	0
TOTAL	150	28	178	116
Average Length of Time 89-Day Hires are Retained				
Number of Days:				
Health Benefits				
Pension Plan	10	6	16	1
Quest (Medicaid)	1	1	2	0
Spouse's Employment	12	4	16	2
Spouse's Pension Plan	0	0	0	0
Other	25	6	31	2
Number of Employees with Health Benefit Coverage:	48	17	65	5
Number of Employees Who Do Not Have Health Benefit Coverage:	5	7	12	0
Unable to Determine if Employees Have Health Benefit Coverage:	97	4	101	111
TOTAL	150	28	178	116
Pension Benefits				
State Government	10	6	16	9
Federal Government	0	0	0	0
Private Company	6	0	6	0
Social Security	1	0	1	1
Other	3	0	3	0
Number of Employees Receiving Pension Benefits:	19*	6	25*	10
Number of Employees Who Do Not Receive Pension Benefits:	35	17	52	6
Unable to Determine if Employee Receives Pension Benefits:	96	5	101	100
TOTAL	150*	28	178*	116
Employees Who Are Eligible to Receive Health Benefits from Another Source But Have Chosen NOT to Enroll				
Number of "No" Responses	13	4	17	3
Number of "Yes" Responses	1	0	1	0
Reason for Not Enrolling:				
Too Expensive	2	0	2	0
Covered by Spouse	0	0	0	0
Other	0	0	0	0
Employees Interest in Purchasing Health Benefits Through Current Job				
Number of "Yes" Responses	10	19	29	3
Number of "No" Responses	24	19	43	4
Reason for No Interest				
Too Expensive	2	10	12	1
Covered by Spouse	5	1	6	0
Other	12	5	17	4

*Some employees reported multiple health benefits and/or pension coverages.

JUDICIARY EMPLOYEES

Appointment Duration	Part-Time Employees			Full-Time Employees
	Less Than 50%	Greater Than or Equal to 50%	Total	
89 Days or Less	0	0	0	5
Greater Than 89-Days	2	0	2	0
Part-Time Intermittent*	1	0	1	0
TOTAL	3	0	3	5
Average Length of Time 89-Day Hires are Retained				
Number of Days:				87
Health Benefits				
Pension Plan	0	0	0	3
Quest (Medicaid)	0	0	0	0
Spouse's Employment	1	0	1	0
Spouse's Pension Plan	0	0	0	0
Other	1	0	1	0
Number of Employees with Health Benefit Coverage:	2	0	2	3
Number of Employees Who Do Not Have Health Benefit Coverage:	0	0	0	0
Unable to Determine if Employees Have Health Benefit Coverage:	1	0	1	2
TOTAL	3	0	3	5
Pension Benefits				
State Government	0	0	0	3
Federal Government	0	0	0	0
Private Company	0	0	0	0
Social Security	0	0	0	0
Other	0	0	0	0
Number of Employees Receiving Pension Benefits:	0	0	0	3
Number of Employees Who Do Not Receive Pension Benefits:	2	0	2	0
Unable to Determine if Employee Receives Pension Benefits:	1	0	1	2
TOTAL	3	0	3	5
Employees Who Are Eligible to Receive Health Benefits from Another Source But Have Chosen NOT to Enroll				
Number of "No" Responses	0	0	0	0
Number of "Yes" Responses	0	0	0	0
Reason for Not Enrolling:				
Too Expensive	0	0	0	0
Covered by Spouse	0	0	0	0
Other	0	0	0	0
Employees Interest in Purchasing Health Benefits Through Current Job				
Number of "Yes" Responses	2	0	2	1
Number of "No" Responses	0	0	0	1
Reason for No Interest				
Too Expensive	0	0	0	0
Covered by Spouse	0	0	0	0
Other	0	0	0	0

**UNIVERSITY OF HAWAII
BOARD OF REGENTS APPOINTEES**

Appointment Duration	Part-Time Employees			Full-Time Employees
	Less Than 50%	Greater Than or Equal to 50%	Total	
89 Days or Less	132	41*	173*	29*
Greater Than 89-Days	213	0	213	0
TOTAL	345	41*	386*	29*
Average Length of Time 89-Day Hires are Retained				
Number of Days:	32.21	87.34		57.58
Health Benefits				
Pension Plan	47	4	51	4
Quest (Medicaid)	3	0	3	0
Spouse's Employment	36	8	44	5
Spouse's Pension Plan	3	1	4	0
Other	70	7	77	9
Number of Employees with Health Benefit Coverage:	159	20	179	18
Number of Employees Who Do Not Have Health Benefit Coverage:	52	19	71	11
Unable to Determine if Employees Have Health Benefit Coverage:	134	2	136	0
TOTAL	345	41	386	29
Pension Benefits				
State Government	40	1	41	2
Federal Government	8	0	8	0
Private Company	10	1	11	0
Social Security	7	0	7	1
Other	7	0	7	2
Number of Employees Receiving Pension Benefits:	72	2	74	5
Number of Employees Who Do Not Receive Pension Benefits:	131	37	168	21
Unable to Determine if Employee Receives Pension Benefits:	142	2	144	3
TOTAL	345	41	386	29
Employees Who Are Eligible to Receive Health Benefits from Another Source But Have Chosen NOT to Enroll				
Number of "No" Responses	50	13	63	10
Number of "Yes" Responses	11	3	14	2
Reason for Not Enrolling:				
Too Expensive	1	3	4	1
Covered by Spouse	0	0	0	0
Other	4	1	5	0
Employees Interest in Purchasing Health Benefits Through Current Job				
Number of "Yes" Responses	83	33	116	24
Number of "No" Responses	117	8	125	7
Reason for No Interest				
Too Expensive	35	3	38	4
Covered by Spouse	17	5	22	3
Other	57	6	63	4

*Includes employees with multiple 89-day hire appointments.

**Some employees reported multiple health benefit and/or pension coverage.