

Honolulu, Hawaii
Feb 16, 2006

RE: H.B. No. 2309

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2309 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose of this bill is to improve the administrative efficiency of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by requiring employee-beneficiaries and spouses of employee-beneficiaries who become entitled to reimbursement from the EUTF for Medicare Part B premiums after July 1, 2006, to designate a financial account into which the EUTF is authorized to deposit reimbursements.


The Department of Budget and Finance and the EUTF Board of Trustees supported this bill.

Your Committee notes that the EUTF is able to use direct deposits to handle financial transactions. According to testimony submitted by the EUTF Administrator, direct deposits of Medicare Part B reimbursements are already projected to decrease the operating costs of the EUTF by about \$30,000 annually, due to savings in postage and mailing. By requiring direct deposits for future retirees, this bill will result in even more cost savings to public employers, including the State.



As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2309 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


KIRK CALDWELL, Chair



