

Honolulu, Hawaii  
March 24, 2006

RE: S.B. No. 2021  
S.D. 2  
H.D. 1

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 S.B. No. 2021, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to protect the health benefits of and provide parity to retirees who relocate outside the coverage area of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). Specifically, this measure requires:

- (1) The EUTF to reimburse retirees who have moved out of Hawaii and the coverage area of the health care plans of the EUTF for costs associated with securing a health insurance policy;
- (2) Reimbursement to be the lesser of the actual cost of the policy or the amount of the State or county contribution for the most comparable health benefits plan;
- (3) The Board of Trustees of the EUTF (EUTF Board) to determine eligibility for reimbursement; and
- (4) Reimbursement to be paid on a quarterly basis upon the presentation of documentation that the premium for the personal health insurance policy has been paid.



The Department of Budget and Finance, EUTF Board, and Hawaii State Teachers Association testified in support of this bill. The Department of the Attorney General (AG) submitted comments.

Your Committee finds that public employee retirees who move out of state may find themselves in a situation where they may not be able to obtain health care because the health insurance providers used by EUTF do not provide health coverage in those areas. Retirees who were guaranteed benefits because of their loyal public service should not be faced with such a predicament.

However, your Committee understands the concerns raised by the AG that the current language in the bill may not adequately address this problem. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that an employee-beneficiary shall be reimbursed for the premiums paid by the employee-beneficiary for a personal health insurance policy;
- (2) Providing flexibility to the EUTF Board to determine which employee-beneficiaries and what types of personal health insurance policies shall be eligible for reimbursement;
- (3) Allowing the EUTF Board to set other conditions that must be met to receive the reimbursements;
- (4) Requiring the reimbursements to be paid by EUTF on a quarterly basis upon the presentation of documentation that the premiums for personal health insurance have been paid by the employee-beneficiary; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 2021, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2021, S.D. 2, H.D. 1, 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



