

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2021

S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor, to which was referred S.B. No. 2021
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 measure is to allow a retiree who
relocates outside the coverage of the Hawaii employer-union health
benefits trust fund (EUTF) to be reimbursed for payment for
coverage under a personal health insurance policy.

Testimony in support of this measure was submitted by the
Department of Budget and Finance and the Hawaii State Teachers
Association. Comments on the measure were also submitted by the
EUTF.

Your Committee finds that public employees who have retired
from service and are entitled to health benefits coverage under
the law should not be deprived of continued coverage because they
relocate beyond the EUTF's current coverage area. These retired
employees provided years of service to our government and should
benefit from their hard work through the continued provision of
health care coverage regardless of their physical location.
According to the EUTF, only a small number of retired members of
the EUTF reside in areas that may be beyond the EUTF's coverage.
These members must enroll in alternate health coverage plans,
which often requires the payment of high premiums.



Therefore, your Committee determines that in the interest of equity and fairness, reimbursement should be made for health benefits coverage for retired individuals who reside beyond the coverage of the EUTF. Your Committee also determines that the reimbursement should be more closely tied to the actual amount of the personal health policy or the most comparable plan under the EUTF.

Accordingly, your Committee has amended this measure by:

- (1) Requiring reimbursement of the lesser amount of the actual amount of the personal health insurance policy or the amount of the state or county contribution for the most comparable health benefits plan; and
- (2) Changing the effective date of the Act to July 1, 2007, to allow the EUTF adequate time to comply with the law.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2021, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor,


For [Signature]

BRIAN KANNO, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Labor
(Bills and Resolutions)

Measure:* SB 2021	Committee Referral: LBR, WAM	Date: 2-1-06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
KANNO, Brian (C)	✓			
IHARA, Jr., Les (VC)	✓			
TANIGUCHI, Brian T.				✓
SLOM, Sam	✓			
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.