STAND. COM. REP. NO. 1461

Honolulu, Hawaii

APR 0 3 2007

RE: H.B. No. 1294

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1294 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 measure is to require the Board of Trustees of the Employer-Union Health Benefits Trust Fund to adjust the base monthly contribution for retiree health benefit plans in accordance with a change in the rate structure.

Specifically, this measure authorizes the Board of Trustees to change the rate structure to provide for other than self and family rates. However, the measure then requires the Board of Trustees to accordingly adjust the base monthly contributions to maintain the same underwriting cost as that incurred under the rate structure that provide for self and family rates.

Your Committee received comments in support of the measure from the Employer-Union Health Benefits Trust Fund and the Department of Budget and Finance.

Your Committee finds that this measure will accommodate the three tier rate structure that has recently been adopted by the Board of Trustees. The present rate structure in the law is comprised of two tiers, one for single rates and one for family rates. This measure will change the present law so that it will accommodate a third tier for two-party rates. Your Committee further finds that this measure will align employer and retiree

contributions more closely with the size of a retiree's family, and is cost neutral.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1294, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

ROSALYN HO BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* HB 1294	Committee Referral: JDL, WAM		Date: 3/29/107	
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)				
TSUTSUI, Shan S. (VC)				
CHUN OAKLAND, Suzanne				
ENGLISH, J. Kalani				
FUKUNAGA, Carol				
HOOSER, Gary L.				
KIM, Donna Mercado				
MENOR, Ron				
TOKUDA, Jill N.				
HEMMINGS, Fred				
WHALEN, Paul				
TOTAL	10	0	0	1
Recommendation: Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				