

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1380

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 S.B. No. 1380 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 enable the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund to adjust the base monthly contribution for the health benefit plans' rate structure.

Specifically, this measure requires the base monthly contribution to health benefit plans, if the Board of Trustees adopts a rate structure for plans other than self and family rates, to provide the equivalent underwriting cost of a cost-neutral adjustment to the base monthly contribution.

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

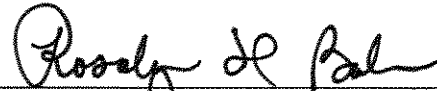
Your Committee finds that current health benefits plans are based on a two-tier structure with a cap (base monthly contribution) on self plans and a cap on family plans. The Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund will utilize a three-tier rate structure so that the rates for retiree health benefits plans would correspond more to the size of a retiree's family--specifically, a two-party rather than



a family rate. This measure will provide the Board of Trustees the power to adjust the base monthly contribution accordingly in a cost-neutral manner to reflect any such change.

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 S.B. No. 1380 and recommends that it pass Third Reading.

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




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ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1380	JDL, WAM	2.22.07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 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.	/			51
HEMMINGS, Fred				/
WHALEN, Paul	/			
<b>TOTAL</b>	<b>8</b>			<b>3</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution: Original		Yellow		Pink
File with Committee Report		Clerk's Office		Drafting Agency

\*Only one measure per Record of Votes