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## A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST  
FUND.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1.   **Purpose.**   The purpose of this Act is to address  
2 the health benefits plan provided under the Hawaii employer-  
3 union health benefits trust fund.  More specifically, this Act  
4 requires the board of trustees of the fund to design and provide  
5 a health benefits plan for active employees and their dependent-  
6 beneficiaries that does not exceed a specified maximum projected  
7 cost.

8           SECTION 2.   **Definitions.**  The definitions under section  
9 87A-1, Hawaii Revised Statutes, shall apply for the purposes of  
10 this Act.

11           In addition:

12           (1)  "Active employee" means an "employee" as defined under  
13               that section, but excluding a retired member of the  
14               employees' retirement system, county pension system,  
15               or police, firefighters, or bandsmen pension system of  
16               the State or county; and



1           (2) "Projected cost of a health benefits plan" means the  
 2           projected sum of the claims to be paid, claims to be  
 3           incurred, and reserve margin to be set aside for the  
 4           health benefits plan. The term does not include  
 5           administrative expenses incurred by the trust fund  
 6           staff or any contracted administrator of the health  
 7           benefits plan.

8           SECTION 3. **Maximum projected cost for health care benefits**  
 9 **plan; exception.** (a) Notwithstanding section 87A-16, Hawaii  
 10 Revised Statutes, or any other law to the contrary, from fiscal  
 11 year 2009-2010 to fiscal year 2014-2015, the board of trustees  
 12 of the Hawaii employer-union health benefits trust fund shall  
 13 provide to active employees and their dependent-beneficiaries a  
 14 health benefits plan, the projected cost of which shall not  
 15 exceed:

- 16           (1) \$                   in fiscal year 2009-2010;
- 17           (2) \$                   in fiscal year 2010-2011;
- 18           (3) \$                   in fiscal year 2011-2012;
- 19           (4) \$                   in fiscal year 2012-2013;
- 20           (5) \$                   in fiscal year 2013-2014; and
- 21           (6) \$                   in fiscal year 2014-2015.



1           The board of trustees shall design the health benefits plan  
2 for a fiscal year to conform to the maximum projected cost  
3 applicable for that fiscal year. In designing the plan from  
4 fiscal year to fiscal year, the board may change the services to  
5 be offered, deductibles, co-insurance, or co-payments to be  
6 required, reserve to be set aside, or reimbursements to be  
7 provided.

8           (b) Subsection (a) shall not apply to the health benefits  
9 plan provided to retired employees and their dependent-  
10 beneficiaries. The cost of the health benefits plan for retired  
11 employees and their dependent-beneficiaries shall not be counted  
12 as part of the projected cost of the health benefits plan to be  
13 provided under subsection (a).

14           **SECTION 4. Legislative intent with respect to**  
15 **appropriations in future fiscal biennia.** (a) This legislature  
16 intends for this Act to serve as a guide when making  
17 appropriations in the future to the Hawaii employer-union health  
18 benefits trust fund for the health benefits plan of active  
19 employees and their dependent-beneficiaries.

20           (b) This Act shall not bind this or any future legislature  
21 to appropriating in a fiscal year a specific amount listed under  
22 section 3(a) for the health benefits plan for active employees



1 and their dependent-beneficiaries. This or any future  
2 legislature shall have full discretion to amend this Act or  
3 appropriate less than a specific amount listed under section  
4 3(a) for a fiscal year, and no person shall have any claim or  
5 cause of action against the legislature or State because of the  
6 amendment or appropriation.

7 SECTION 5. **Effective date; repeal.** This Act shall take  
8 effect upon its approval and shall be repealed on June 30, 2015;  
9 provided that the repeal shall not affect any claims, rights, or  
10 privileges that matured or liabilities or penalties that were  
11 incurred during the period this Act is in effect.

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INTRODUCED BY: Calvin K. Boy  
JAN 28 2009



**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund; Health Benefits Plan Design

**Description:**

Requires the board of trustees of the Hawaii employer-union health benefits trust fund to design and provide a health benefits plan for active employees and their dependent-beneficiaries that does not exceed a specified maximum projected cost.

