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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. The purpose of this Act is to address the  
2 current and ongoing economic crisis in the State. More  
3 specifically, this Act makes certain temporary changes to the  
4 Hawaii employer-union health benefits trust fund by:

5           (1) Prohibiting the health benefits plan of the trust fund  
6 from providing prescription drug benefits for the  
7 period beginning July 1, 2009, and ending June 30,  
8 2015; and

9           (2) Allowing the board of trustees of the trust fund to  
10 make available prescription drug plans to public  
11 employees at no cost to employers during that period.

12 This Act also makes conforming amendments to the voluntary  
13 employees' beneficiary association statute.

14           SECTION 2. Chapter 87A, Hawaii Revised Statutes, is  
15 amended by adding a new section to part III to be appropriately  
16 designated and to read as follows:



1        "§87A- Prescription drug benefits plans; no cost to  
2 employers. (a) For the period beginning July 1, 2009, and  
3 ending June 30, 2015, the board may offer prescription drug  
4 benefits plans to employee-beneficiaries and dependent-  
5 beneficiaries at no cost to the State and the counties, as  
6 employers, the full costs of which are to be paid by employee-  
7 beneficiaries.

8        (b) The board may establish the prescription drug benefits  
9 plans under subsection (a), which shall be exempt from the  
10 minimum group requirements of article 10A of chapter 431, and  
11 which may provide, pay for, arrange for, or reimburse the costs  
12 of prescription drugs for employee-beneficiaries and dependent-  
13 beneficiaries.

14        (c) The board may contract with prescription drug plan  
15 insurance carriers for the prescription drug plans. Each  
16 employee-beneficiary who elects to enroll in a prescription drug  
17 plan under this section shall pay the full monthly premiums,  
18 through employee-beneficiary contributions, directly to the  
19 board's designated carriers. The employee-beneficiary's monthly  
20 contribution shall include the carrier's administrative costs."



1 SECTION 3. Section 87A-1, Hawaii Revised Statutes, is  
2 amended by amending the definition of "health benefits plan" to  
3 read as follows:

4 ""Health benefits plan" means:

5 (1) A group insurance contract or service agreement that  
6 may include medical, hospital, surgical, [~~prescribed~~  
7 ~~drugs,~~] vision, and dental services, in which a  
8 carrier agrees to provide, pay for, arrange for, or  
9 reimburse the cost of the services as determined by  
10 the board; or

11 (2) A similar schedule of benefits established by the  
12 board and provided through the fund on a self-insured  
13 basis.

14 The term shall not include any insurance contract, service  
15 agreement, or schedule of benefits that includes prescription  
16 drug coverage."

17 SECTION 4. Section 87D-1, Hawaii Revised Statutes, is  
18 amended by amending the definition of "employee welfare benefit  
19 plan" to read as follows:

20 ""Employee welfare benefit plan" or "plan" shall mean any  
21 plan, fund, or program which is established by the trust for the  
22 purpose of providing participants or their beneficiaries,



1 through the purchase of insurance or otherwise, medical,  
2 surgical, or hospital care or benefits, or benefits in the event  
3 of sickness, accident, disability, or death[-]; but not  
4 prescription drug benefits."

5 SECTION 5. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 6. This Act shall take effect on July 1, 2009, and  
8 shall be repealed on June 30, 2015; provided that the definition  
9 of:

- 10 (1) "Health benefits plan" under section 87A-1, Hawaii  
11 Revised Statutes; and  
12 (2) "Employee welfare benefit plan" under section 87D-1,  
13 Hawaii Revised Statutes,  
14 shall be reenacted in the form in which they read on June 30,  
15 2009.

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INTRODUCED BY: Calvin K. Iy  
JAN 28 2009



**Report Title:**

Public Employees' Health Benefits Plan; Exclusion of Prescription Drug Coverage

**Description:**

From 07/01/2009 to 06/30/2015: (1) prohibits health benefits plan of the employer-union health benefits trust fund from providing prescription drug coverage; and (2) allows board of trustees to make prescription drug benefits available through drug coverage plans that are paid for entirely by employee-beneficiaries.

