

H.B. NO. 2541

A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

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

1 PART I

2 SECTION 1. The purpose of this Act is to provide Employer
3 contribution amounts for plan years 2009-2010 and 2010-2011 for
4 Hawaii Employer-Union Health Benefits Trust Fund health benefit
5 plan premiums for public officers and employees pursuant to
6 section 89-11(g), Hawaii Revised Statutes, due to an impasse in
7 negotiations on issues involving the employer-union health
8 benefits trust fund. It is further the purpose of this Act to
9 provide employer plan contributions that maintain the same
10 dollar amount as fiscal year 2008-2009.

11 SECTION 2. There are appropriated or authorized from the
12 sources of funding indicated below to program planning,
13 analysis, budgeting (BUF 101) the following sums, or so much
14 thereof as may be necessary, to fund for fiscal
15 biennium 2009-2011 Hawaii employer-union health benefits trust
16 fund costs of employees of collective bargaining unit 10:

17 FY 2009-2010

FY 2010-2011

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1	General Funds	-0-	-0-
2	Special Funds	-0-	-0-
3	Federal Funds	-0-	-0-
4	Other Funds	-0-	-0-

5 Of the above amounts, the following amounts are for the
6 department of education:

7		FY 2009-2010	FY 2010-2011
8	General Funds	-0-	-0-
9	Special Funds	-0-	-0-
10	Federal Funds	-0-	-0-
11	Other Funds	-0-	-0-

12 SECTION 3. Funds appropriated or authorized by this part
13 shall be allotted by the director of finance to the appropriate
14 state departments in the respective fiscal year for the purposes
15 of this part.

PART II

17 SECTION 4. There are appropriated or authorized from the
18 sources of funding indicated below to program planning,
19 analysis, budgeting (BUF 101) the following sums, or so much
20 thereof as may be necessary, to fund for fiscal
21 biennium 2009-2011, Hawaii employer-union health benefits trust
22 fund costs authorized by chapter 89C, Hawaii Revised Statutes,

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1 for state officers and employees excluded from collective
2 bargaining:

3	FY 2009-2010	FY 2010-2011
4 General Funds	-0-	-0-
5 Special Funds	-0-	-0-
6 Federal Funds	-0-	-0-
7 Other Funds	-0-	-0-

8 Of the above amounts, the following amounts are for the
9 department of education:

10	FY 2009-2010	FY 2010-2011
11 General Funds	-0-	-0-
12 Special Funds	-0-	-0-
13 Federal Funds	-0-	-0-
14 Other Funds	-0-	-0-

15 SECTION 5. Funds appropriated or authorized by this part
16 shall be allotted by the director of finance to the appropriate
17 state departments in the respective fiscal year for the purposes
18 of this part.

19 PART III

20 SECTION 6. The legislature finds that for the employees of
21 collective bargaining unit 10 and for state officers and
22 employees excluded from collective bargaining unit 10 for plan

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1 years 2009-2010 and 2010-2011, subject to the applicable
 2 provisions of chapters 87A and 89, Hawaii Revised Statutes, the
 3 above appropriations provide for Employer monthly contributions
 4 to the Hawaii Employer-Union Health Benefits Trust Fund ("Trust
 5 Fund" or EUTF) as follows:

6 (1) The amounts paid by the Employer in plan years 2009-2010
 7 and 2010-2011 for each Employee-Beneficiary with no
 8 dependent-beneficiaries shall be limited to those enrolled
 9 in the following Trust Fund Health Benefit Plans:

10	TOTAL MONTHLY	
11	BENEFIT PLAN	PREMIUM ONLY CONTRIBUTION
12	a. Medical (PPO, HMO or HDHP)	
13	(& chiro)	\$134.65
14	b. Prescription Drug	\$ 31.82
15	c. Dental	\$ 16.76
16	d. Vision	\$ 3.59
17	e. Dual coverage (medical, drug,	
18	& chiro)	
19	(1) HMSA	\$ 98.55
20	(2) Royal State	\$ 32.32

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1 The Employer shall pay the same monthly contribution for
 2 each Employee-Beneficiary enrolled in a self-only medical
 3 plan (PPO or HMO), regardless of which plan is chosen.

4 (2) The amounts paid by the Employer in plan year 2009-2010 and
 5 2010-2011 for each Employee-Beneficiary with one
 6 dependent-beneficiary shall be limited to those enrolled in
 7 the following Trust Fund Health Benefit Plans:

8		TOTAL MONTHLY
9	BENEFIT PLAN	PREMIUM ONLY CONTRIBUTION
10	a. Medical (PPO, HMO or HDHP)	
11	(& chiro)	\$327.11
12	b. Prescription Drug	\$ 77.32
13	c. Dental	\$ 33.53
14	d. Vision	\$ 6.64
15	e. Dual coverage (medical, drug,	
16	& chiro)	
17	(1) HMSA	\$239.62
18	(2) Royal State	\$ 80.38

19 The Employer shall pay the same monthly contribution for
 20 each Employee-Beneficiary enrolled in a two-party medical
 21 plan (PPO or HMO), regardless of which plan is chosen.

1 (3) The amounts paid by the Employer in plan year 2009-2010 and
 2 2010-2011 for each Employee-Beneficiary with two or more
 3 dependent-beneficiaries shall be limited to those enrolled
 4 in the following Trust Fund Health Benefit Plans:

		TOTAL MONTHLY
BENEFIT PLAN		PREMIUM ONLY CONTRIBUTION
a. Medical (PPO, HMO or HDHP)		
	(& chiro)	\$416.80
b. Prescription Drug		\$ 98.49
c. Dental		\$ 69.73
d. Vision		\$ 8.67
e. Dual coverage (medical, drug,		
	& chiro)	
	(1) HMSA	\$305.05
	(2) Royal State	\$ 89.38

16 The Employer shall pay the same monthly contribution for
 17 each Employee-Beneficiary enrolled in a two or more
 18 dependent-beneficiaries plan (PPO or HMO), regardless of
 19 which plan is chosen.

20 (4) The Employer shall pay 100% of the Trust Fund's fiscal
 21 year 2008-2009 monthly administrative fees or 100% of the

1 fiscal year 2009-2010 or 2010-2011 monthly administrative
2 fee, whichever is less.

3 (5) For each Employee-Beneficiary enrolled in the Trust Fund
4 group life insurance plan, the Employer shall pay \$4.16 per
5 month which reflects 100% of the monthly premium and
6 administrative fees.

7 (6) Rounding Employer's Monthly Contribution. Whenever the
8 Employer's monthly contribution (premium plus
9 administrative fee) to the Trust Fund is less than 100% of
10 the monthly premium amount, such monthly contribution shall
11 be rounded to the nearest cent as provided below:

12 When rounding to the nearest cent results in an even
13 amount, such even amount shall be the Employer's monthly
14 contribution. For example:

15 (a) $\$11.397 = \$11.40 = \$11.40$ (Employer's monthly
16 contribution)

17 (b) $\$11.382 = \$11.38 = \$11.38$ (Employer's monthly
18 contribution)

19 When rounding to the nearest cent results in an odd amount,
20 round to the lower even cent, and such even amount shall be
21 the Employer's monthly contribution. For example:

22 $\$11.392 = \$11.39 = \$11.38$ (Employer's monthly contribution)

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1 \$11.386 = \$11.39 = \$11.38 (Employer's monthly contribution)
2 Employer contributions shall be rounded after
3 administrative fees have been determined by the Trust Fund
4 Board.

5 PART IV

6 SECTION 7. Cost adjustments provided in this Act for any
7 officer or employee whose compensation is paid, in whole or in
8 part, from federal, special, or other funds shall be paid wholly
9 or proportionately, as the case may be, from the respective
10 funds.

11 SECTION 8. Funds appropriated or authorized by this Act
12 that are not expended or encumbered by June 30, 2010, and
13 June 30, 2011, of the respective fiscal years, shall lapse as of
14 those dates.

15 SECTION 9. This Act shall take effect upon its approval.

16
17 INTRODUCED BY: Calvin H. King

18 By Request

JAN 25 2010

Report Title:

Collective Bargaining Cost Items; Appropriations

Description:

Provides employer contribution amounts for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums in plan years 2009-2010 and 2010-2011 for employees of collective bargaining unit 10 and their excluded counterparts.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

PURPOSE: To provide employer contributions amounts for plan years 2009-2010 and 2010-2011 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the employees of collective bargaining unit 10, and for state officers and employees excluded from collective bargaining unit 10.

MEANS: By the legislature determining appropriation amounts.

JUSTIFICATION: The employer and the United Public Workers are at impasse in collective bargaining negotiations regarding contribution amounts for plan years 2009-2010 and 2010-2011 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public officers and employees.

Pursuant to section 89-11(g), Hawaii Revised Statutes, which requires parties to submit their respective contribution recommendations to the Legislature when there is an impasse, the State's proposed contributions are being submitted via this bill. Given the current budget crisis, no increase in premium payments can be afforded. This bill provides for maintaining the same level of contributions for fiscal year 2009-2010 and 2010-2011 as provided in fiscal year 2008-2009.

Impact on the public: Health benefits for state and local governments are funded through general fund appropriations. All cost containment efforts will help to address the budget shortfall, benefit taxpayers, and help alleviate current economic conditions.

Impact on the department and other agencies:
These changes are expected to contain the cost of employer contributions for health benefit plans.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: Not applicable.

OTHER AFFECTED AGENCIES: Judiciary, Hawaii Health Systems Corporation, and Department of Education.

EFFECTIVE DATE: Upon Approval.