
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 require
2 the board of trustees of the Hawaii employer-union health
3 benefits trust fund to design and offer a health benefits plan
4 for active state employees and their dependent-beneficiaries
5 that does not exceed a specified maximum contribution by the
6 State.

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

10 In addition:

11 (1) "Active state employee" means an "employee", as
12 defined under section 87A-1, of the state government,
13 but excluding a retired member of the employees'
14 retirement system, county pension system, or police,
15 firefighters, or bandsmen pension system of the State
16 or county;



1 (2) "Maximum state contribution" means the portion of the
2 projected health benefits plan cost to be borne by the
3 State through contributions by state departments and
4 agencies; and

5 (3) "Projected health benefits plan cost" means the
6 projected sum of the claims to be paid, claims to be
7 incurred, reserve margin to be set aside for the
8 health benefits plan, and administrative expenses
9 incurred by the trust fund staff or any contracted
10 administrator of the health benefits plan.

11 SECTION 3. **Maximum state contribution for health care**
12 **benefits plan offered to active state employees.** (a)

13 Notwithstanding section 87A-16, Hawaii Revised Statutes, or any
14 other law to the contrary, from fiscal year 2010-2011 to fiscal
15 year 2014-2015, the board of trustees of the Hawaii employer-
16 union health benefits trust fund shall offer to active state
17 employees and their dependent-beneficiaries a health benefits
18 plan, the maximum state contribution for which shall be the
19 following:

- 20 (1) For fiscal year 2010-2011--\$131,769,338;
21 (2) For fiscal year 2011-2012--\$131,769,338;
22 (3) For fiscal year 2012-2013--\$131,769,338;



- 1 (4) For fiscal year 2013-2014--The dollar amount equaling
2 \$131,768,938 adjusted by the percentage change of
3 general revenues between fiscal year 2012-2013 and
4 2013-2014 as projected by the council on revenues at
5 its last meeting in calendar year 2013; and
- 6 (5) For fiscal year 2014-2015--The dollar amount
7 calculated under paragraph (4) adjusted by the
8 percentage change of general revenues between fiscal
9 year 2013-2014 and 2014-2015 as projected by the
10 council on revenues at its last meeting in calendar
11 year 2014.

12 The board of trustees shall design the health benefits plan
13 offered to active state employees during a fiscal year so that
14 the maximum state contribution for that fiscal year does not
15 exceed fifty per cent of the projected health benefit plan cost
16 for that fiscal year. In designing the plan from fiscal year to
17 fiscal year, the board may change the health benefits to be
18 offered, deductibles, co-insurance, or co-payments to be
19 required, reserve to be set aside, or persons to be covered.

20 The board may offer additional benefits or coverage beyond that
21 of the designed plan if the active state employee pays the
22 entire cost of the additional benefits or coverage.



1 (b) Subsection (a) shall not apply to the health benefits
2 plan offered to retired state employees, active county
3 employees, or retired county employees and their dependent-
4 beneficiaries. The board may offer to those employees a health
5 benefits plan different from the health benefits plan offered to
6 active state employees.

7 **SECTION 4. Legislative intent with respect to**
8 **appropriations in future fiscal biennia.** (a) The legislature
9 intends for this Act to serve as a guide when making
10 appropriations in the future to the Hawaii employer-union health
11 benefits trust fund for the health benefits plan of active state
12 employees and their dependent-beneficiaries.

13 (b) This Act shall not bind this or any future legislature
14 to appropriating in a fiscal year a specific amount listed under
15 section 3(a) for the health benefits plan for active state
16 employees and their dependent-beneficiaries. This or any future
17 legislature shall have full discretion to amend this Act or
18 appropriate more or less than a specific amount listed under
19 section 3(a) for a fiscal year, and no person shall have any
20 claim or cause of action against the legislature or State
21 because of the amendment or appropriation.



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

6

INTRODUCED BY:

Calvin L. Ay

JAN 27 2010



Report Title:

Hawaii Employer-Union Health Benefits Trust Fund; Maximum State Contribution For Health Benefits Plan Of Active State Employees

Description:

Requires the board of trustees of the Hawaii employer-union health benefits trust fund to design and offer a health benefits plan for active state employees and their dependent-beneficiaries that does not exceed a specified maximum contribution by the State.

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