
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 Hawaii employer-union trust fund. More specifically, this Act
3 requires the board of trustees to contract with a carrier to
4 provide health benefits plans to members. This Act also repeals
5 the authority of the board of trustees to provide health
6 benefits through self-insurance.

7 SECTION 2. Section 87A-1, Hawaii Revised Statutes, is
8 amended by amending the definitions of "health benefits plan"
9 and "long-term care benefits plan" to read as follows:

10 "Health benefits plan" means [+
11 ~~(1)~~ A] a group insurance contract or service agreement
12 that may include medical, hospital, surgical,
13 prescribed drugs, vision, and dental services, in
14 which a carrier agrees to provide, pay for, arrange
15 for, or reimburse the cost of the services as
16 determined by the board [~~+~~ ~~or~~



1 ~~(2) A similar schedule of benefits established by the~~
2 ~~board and provided through the fund on a self-insured~~
3 ~~basis].~~

4 "Long-term care benefits plan" means [+

5 ~~(1) A] a group insurance contract or service agreement in~~
6 ~~which a carrier agrees to provide, pay for, arrange~~
7 ~~for, or reimburse the cost of long-term care benefits~~
8 ~~as determined by the board[,-or~~

9 ~~(2) A similar schedule of benefits established by the~~
10 ~~board and provided through the fund on a self-insured~~
11 ~~basis]."~~

12 SECTION 3. Section 87A-16, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) The board [may] shall contract [~~for~~] with a carrier
15 to provide health benefits plans [~~or provide health benefits~~
16 ~~through a noninsured schedule of benefits]."~~

17 SECTION 4. Section 87A-18, Hawaii Revised Statutes, is
18 amended by amending subsection (c) to read as follows:

19 "(c) The board may contract with a carrier to provide
20 fully insured benefits [~~or with a third party administrator to~~
21 ~~administer self-insured benefits]."~~



1 SECTION 5. Section 87-31, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows

3 "(b) The fund, including any earnings on investments, and
4 rate credits or reimbursements from any carrier [~~or self-insured~~
5 ~~plan and any earning or interest derived therefrom~~], may be used
6 to stabilize health and other benefit plan rates; provided that
7 the approval of the governor and the legislature shall be
8 necessary to fund administrative and other expenses necessary to
9 effectuate these purposes."

10 SECTION 6. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun before its effective date.

13 SECTION 7. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 8. This Act shall take effect on July 1, 2009, and
16 shall be repealed on June 30, 2015; provided that sections
17 87A-1, 87A-16, 87A-18, and 87A-31, Hawaii Revised Statutes,
18 shall be reenacted in the form in which they read on June 30,
19 2009.

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INTRODUCED BY:

Calvin K. Amy

JAN 28 2009



Report Title:

Hawaii Employer-Union Trust Fund; No Self-Insurance

Description:

Requires the Hawaii employer-union trust fund to contract with a carrier to provide health benefit plans to members and dependents. Deletes authority of the board of trustees to provide health benefits through self insurance.

