

JAN 26 2011

A BILL FOR AN ACT

RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

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

1 SECTION 1. The legislature finds that the employer-union
2 health benefits trust fund has provided health care insurance to
3 state employees, retirees, and their dependents for nearly a
4 decade. Providing government workers with a health benefits
5 plan at a cost effective price continues to be imperative,
6 especially when the State is experiencing financial
7 difficulties.

8 The legislature finds that health benefits are a
9 significant component of the total compensation package for
10 public employees, comprising a substantial part of public
11 employer payroll cost. The legislature also finds that the
12 rising cost of health benefits under the employer-union health
13 benefits trust fund has created financial hardships for the
14 State.

15 The legislature finds that steps must be taken to bring
16 down the cost of providing health care and ensure the
17 sustainability of the employer-union health benefits trust fund.
18 One effective method is the creation of employer-based wellness



1 programs. Incorporation of an incentive-based wellness program
2 for employer-union health benefits trust fund plans could lead
3 to claims reductions, lower premium increases, and improved
4 health among plan members.

5 The purpose of this Act is to implement a health assessment
6 wellness program through the inclusion of deductibles for all
7 employee-beneficiaries of the employer-union health benefits
8 trust fund.

9 SECTION 2. Chapter 87A, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§87A- Health benefits plans; health risk assessments;
13 deductibles. (a) Effective January 1, 2012, the board shall
14 require all existing health benefits plans to include the
15 following provisions:

16 (1) Employee-beneficiaries who receive a health risk
17 assessment through their health benefits plan will not
18 pay an annual deductible; and

19 (2) Employee-beneficiaries who choose not to receive a
20 health risk assessment through their health benefits
21 plan will pay an annual deductible not to exceed \$120.

22 For purposes of this section:



1 "Deductible" means the amount an insured is responsible to
2 pay out-of-pocket before the health insurer begins to pay the
3 costs associated with any treatment.

4 "Health risk assessment" means a health assessment program
5 that includes an overall assessment of the member's health and a
6 biometric screening.

7 (b) The provisions listed in subsection (a) shall be
8 included in all future health benefits plans available to each
9 employee-beneficiary."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval;
12 provided that this Act shall apply to health benefits plans in
13 effect as of January 1, 2012.

14

INTRODUCED BY: *David Furumasa*
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Report Title:

Employer-Union Health Benefits Trust Fund; Health Risk Assessment; Deductible

Description:

Mandates the board of trustees of EUTF to require that employee-beneficiaries of the employer-union health benefits trust fund who choose a health risk assessment do not pay an annual deductible and that employee-beneficiaries who choose not to undergo a health risk assessment pay an annual deductible of no more than \$120. Applies to health benefits plans effective as of 1/1/2012.

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