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# A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

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

1           SECTION 1. The legislature finds that the health benefits  
2 plan for beneficiaries of the Hawaii employer-union health  
3 benefits trust fund should be delivered in an integrated manner.  
4 Offering medical benefits and prescription drug benefits to  
5 beneficiaries through separate carriers results in a fragmented  
6 health care delivery system that may result in higher costs and  
7 reduced quality of care. The purpose of this Act is to  
8 integrate medical benefits and prescription drug benefits that  
9 are offered to beneficiaries of the Hawaii employer-union health  
10 benefits trust fund.

11           SECTION 2. Section 87A-16, Hawaii Revised Statutes, is  
12 amended to read as follows:

13           "~~§~~87A-16~~§~~ Health benefits plan; carriers. (a) The  
14 board shall establish the health benefits plan or plans, which  
15 shall be exempt from the minimum group requirements of chapter  
16 431.



1 (b) The board may contract for health benefits plans or  
2 provide health benefits through a noninsured schedule of  
3 benefits.

4 (c) To the extent the board contracts for health benefits  
5 plans, it shall enter into contracts with carriers that provide  
6 or administer prescription drug benefits together with medical  
7 benefits."

8 SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund

**Description:**

Limits the Hawaii Employer-Union Health Benefits Trust Fund board to contract for health benefits plans only with carriers that provide or administer prescription drug coverage together with medical benefits.

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