
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 find ways to
2 improve the financial health of the Hawaii employer-union health
3 benefits trust fund.

4 SECTION 2. (a) The department of budget and finance shall
5 conduct a study of the Hawaii employer-union health benefits
6 trust fund in order to improve the financial health of the
7 Hawaii employer-union health benefits trust fund. The study
8 shall include but not be limited to the consideration of:

9 (1) The implementation of reforms that moderate the annual
10 contributions of public employers for the health
11 benefits of active and retired members while
12 maintaining sufficient health benefits coverage for
13 the active and retired members;

14 (2) Ways to address the unfunded actuarial accrued
15 liability and the implementation of reforms to
16 amortize the unfunded actuarial accrued liability of
17 the trust fund over thirty years from July 1, 2014;



- 1 (3) The cost of providing benefits;
- 2 (4) The structuring of the organization of the board of
- 3 directors of the Hawaii employer-union health benefits
- 4 trust fund to ensure equitable and prompt decisions;
- 5 (5) Methods to ensure a reliable and adequate stream of
- 6 funding for the Hawaii employer-union health benefits
- 7 trust fund;
- 8 (6) The most effective and efficient ways to provide
- 9 healthcare coverage for participants in the Hawaii
- 10 employer-union health benefits trust fund;
- 11 (7) The fundamental alteration of the structure of the
- 12 Hawaii employer-union health benefits trust fund;
- 13 (8) Assurances of adequate county participation and the
- 14 determination of any impacts this may have on the
- 15 counties;
- 16 (9) The impacts that the enactment of the Patient
- 17 Protection and Affordable Care Act of 2010 may have on
- 18 the Hawaii employer-union health benefits trust fund;
- 19 and
- 20 (10) The impacts of anticipated changes in the medicare
- 21 program may have on the Hawaii employer-union health
- 22 benefits trust fund.



1 (b) The department may conduct the study in-house or
2 contract a third party to conduct the study.

3 (c) In conducting the study, the department or contractor,
4 as applicable, shall consult with the board of trustees,
5 administrator, and staff of the Hawaii employer-union health
6 benefits trust fund and the exclusive representatives of
7 employees.

8 SECTION 3. (a) The department of budget and finance shall
9 submit the findings and recommendations of the study before the
10 convening of the regular session of 2014 to the governor,
11 legislature, and board of trustees of the Hawaii employer-union
12 health benefits trust fund.

13 (b) If deemed necessary or desirable, the department may
14 submit an interim report before the convening of the regular
15 session of 2013 to the governor, legislature, and board of
16 trustees of the Hawaii employer-union health benefits trust
17 fund.

18 (c) The recommendations may include a proposal to
19 restructure the board of trustees of the Hawaii employer-union
20 health benefits trust fund or change the voting procedure.

21 SECTION 4. The department of budget and finance shall not
22 include in the study any recommendation to diminish the health



1 benefits or public employers' contributions for employees who
2 retired from public service before July 1, 2014.

3 SECTION 5. The board of trustees and the administrator and
4 staff of the Hawaii employer-union health benefits trust fund
5 shall cooperate with the department of budget and finance and
6 its contractor, if applicable, in its conduct of the study.

7 SECTION 6. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$100,000 or so much
9 thereof as may be necessary for fiscal year 2012-2013 to conduct
10 the study required by this Act.

11 The sum appropriated shall be expended by the department of
12 budget and finance for the purposes of this Act.

13 SECTION 7. This Act shall take effect upon its approval;
14 provided that section 6 shall take effect on July 1, 2012.



Report Title:

Hawaii Employer-Union Health Benefits Trust Fund; Reform Study; Appropriation

Description:

Requires the Department of Budget and Finance to conduct a study to reform the Hawaii employer-union health benefits trust fund. Requires the department to submit the study to the governor, legislature, and board of trustees of the trust fund before the convening of the 2014 regular session. Appropriates \$100,000 in FY 2012-13 for the study. (HB2661 HD1)

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