

Honolulu, Hawaii

Feb 16 , 2012

RE: H.B. No. 1810
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1810 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose of this measure is to promote wellness and discourage the medically unnecessary use of health care services by requiring the Board of Directors of the Hawaii Employer-Union Health Benefits Trust Fund to require every health benefits plan established or contracted by the Board to include higher deductibles and co-payments for tobacco smokers and other high risk individuals.

The Department of Human Resources of the City and County of Honolulu, American Heart Association, Coalition for a Tobacco Free Hawaii, and United Public Workers, AFSCME, Local 646, AFL-CIO testified in opposition to this measure. The Administrator of the Hawaii Employer-Union Health Benefits Trust Fund and Department of Health provided comments.

Cigarette smoking and other high risk behaviors can contribute to the demise of an individual's health which lead to increases in health care costs, and commensurately, health benefits plan costs. Charging higher healthcare insurance deductibles and co-payments for tobacco smokers and other high risk individuals may act as a financial disincentive to the



continuation of these behaviors and thus lead to lower health benefits plan costs, including costs for the Hawaii Employer-Union Health Benefits Trust Fund.

However, your Committee notes that questions remain as to whether promoting disincentives to achieve health behavior outcomes actually accomplishes this goal and whether instead that providing incentives to motivate individuals to take personal responsibility for their own health and improve their healthy behavior may be a better approach. As such, your Committee has amended this measure by:

- (1) Requiring the Board to require every health benefits plan established or contracted by the Board to include lower deductibles and co-payments for non-smokers of tobacco and low health risk behavior individuals;
- (2) Requiring the Board to consult with medical professionals to make a determination as to what low risk behavior shall include; and
- (3) Stipulating that genetic factors and pre-existing medical conditions not be included as a behavior when determining what low risk behavior shall include.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1810, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



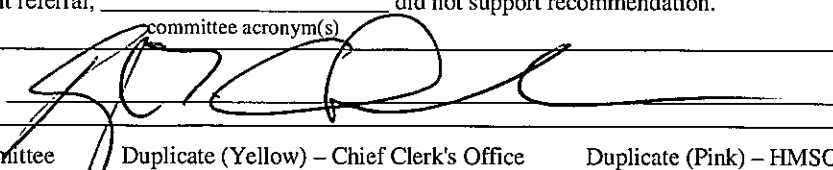
KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 520-12

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HD 1810	Committee Referral: LAB, FIN	Date: 2-10-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.				/
7. LUKE, Sylvia				/
8. OKAMURA, Tom				
9. SAIKI, Scott K.				/
10. SOUKI, Joseph M.	/			
11. TAKUMI, Roy M.	/			
12. FONTAINE, George R.	/			
13. JOHANSON, Aaron Ling	/			
TOTAL (13)	9	-	-	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) -- Committee Duplicate (Yellow) -- Chief Clerk's Office Duplicate (Pink) -- HMSO				