

# S.B. NO. 1058

JAN 24 2013

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## A BILL FOR AN ACT

RELATING TO EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
CONTRIBUTIONS.

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

1 PART I

2 SECTION 1. The purpose of this Act is to provide employer  
3 contribution amounts for plan years 2011-2012 and 2012-2013 for  
4 Hawaii employer-union health benefits trust fund health benefit  
5 plan premiums for the employees of collective bargaining unit 11  
6 and for state officers and employees excluded from collective  
7 bargaining unit 11 pursuant to section 89-11(g), Hawaii Revised  
8 Statutes, due to an impasse in negotiations on issues involving  
9 the employer-union health benefits trust fund.

10 PART II

11 SECTION 2. The legislature finds that for the employees of  
12 collective bargaining unit 11 and for state officers and  
13 employees excluded from collective bargaining unit 11 for plan  
14 years 2011-2012 and 2012-2013, subject to the applicable  
15 provisions of chapters 87A and 89, Hawaii Revised Statutes, the  
16 employer monthly contributions to the Hawaii employer-union  
17 health benefits trust fund ("trust fund" or "EUTF") are as  
18 follows:

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1 (1) The amounts paid by the employer in plan years 2011-2012  
 2 and 2012-2013 for July 1, 2011, through December 31, 2011,  
 3 and January 1, 2012, through June 30, 2013, for each  
 4 employee-beneficiary with no dependent-beneficiaries shall  
 5 be:

|    |                                       | TOTAL MONTHLY<br>CONTRIBUTION |                              |
|----|---------------------------------------|-------------------------------|------------------------------|
|    |                                       | July to<br>December<br>2011   | January 2012<br>to June 2013 |
| 10 | BENEFIT PLAN                          |                               |                              |
| 11 | a. Medical (90/10 PPO & Chiro)        | \$                            | \$                           |
| 12 | b. Medical (80/20 PPO & Chiro)        | \$                            | \$                           |
| 13 | c. Medical (Kaiser HMO Comp. & Chiro) | \$                            | \$                           |
| 14 | d. Medical (Kaiser HMO Basic & Chiro) | \$                            | \$                           |
| 15 | e. Medical (HMSA HMO & Chiro)         | \$                            | \$                           |
| 16 | f. Medical (HDHP & Chiro)             | \$                            | \$                           |
| 17 | g. Prescription Drug                  | \$                            | \$                           |
| 18 | h. Dental                             | \$                            | \$                           |
| 19 | i. Vision                             | \$                            | \$                           |
| 20 | Dual Coverage                         |                               |                              |
| 21 | j. Medical (Royal State)              | \$                            | \$                           |
| 22 | k. Medical (HMSA)                     | \$                            | \$                           |

23 (2) The amounts paid by the employer in plan years 2011-2012  
 24 and 2012-2013 for July 1, 2011, through December 31, 2011,  
 25 and January 1, 2012, through June 30, 2013, for each  
 26 employee-beneficiary with one dependent-beneficiary shall  
 27 be:

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|              |                                       | TOTAL MONTHLY CONTRIBUTION |              |
|--------------|---------------------------------------|----------------------------|--------------|
|              |                                       | July to                    | January 2012 |
|              |                                       | December                   | to June 2013 |
| BENEFIT PLAN |                                       | 2011                       |              |
| 6            | a. Medical (90/10 PPO & Chiro)        | \$                         | \$           |
| 7            | b. Medical (80/20 PPO & Chiro)        | \$                         | \$           |
| 8            | c. Medical (Kaiser HMO Comp. & Chiro) | \$                         | \$           |
| 9            | d. Medical (Kaiser HMO Basic & Chiro) | \$                         | \$           |
| 10           | e. Medical (HMSA HMO & Chiro)         | \$                         | \$           |
| 11           | f. Medical (HDHP & Chiro)             | \$                         | \$           |
| 12           | g. Prescription Drug                  | \$                         | \$           |
| 13           | h. Dental                             | \$                         | \$           |
| 14           | i. Vision                             | \$                         | \$           |
| 15           | Dual Coverage                         |                            |              |
| 16           | j. Medical (Royal State)              | \$                         | \$           |
| 17           | k. Medical (HMSA)                     | \$                         | \$           |

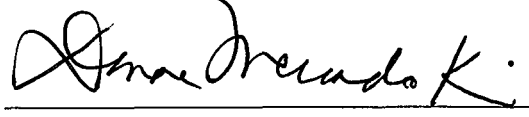
18 (3) The amounts paid by the employer in plan years 2011-2012  
 19 and 2012-2013 for July 1, 2011, through December 31, 2011,  
 20 and January 1, 2012, through June 30, 2013, for each  
 21 employee-beneficiary with two or more  
 22 dependent-beneficiaries shall be:

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|    |                                       | TOTAL MONTHLY CONTRIBUTION |              |
|----|---------------------------------------|----------------------------|--------------|
|    |                                       | July to                    | January 2012 |
|    |                                       | December                   | to June 2013 |
| 5  | BENEFIT PLAN                          | 2011                       |              |
| 6  | a. Medical (90/10 PPO & Chiro)        | \$                         | \$           |
| 7  | b. Medical (80/20 PPO & Chiro)        | \$                         | \$           |
| 8  | c. Medical (Kaiser HMO Comp. & Chiro) | \$                         | \$           |
| 9  | d. Medical (Kaiser HMO Basic & Chiro) | \$                         | \$           |
| 10 | e. Medical (HMSA HMO & Chiro)         | \$                         | \$           |
| 11 | f. Medical (HDHP & Chiro)             | \$                         | \$           |
| 12 | g. Prescription Drug                  | \$                         | \$           |
| 13 | h. Dental                             | \$                         | \$           |
| 14 | i. Vision                             | \$                         | \$           |
| 15 | Dual Coverage                         |                            |              |
| 16 | j. Medical (Royal State)              | \$                         | \$           |
| 17 | k. Medical (HMSA)                     | \$                         | \$           |

18 (4) For each employee-beneficiary enrolled in the trust fund  
 19 group life insurance plan, the employer shall pay \$ per  
 20 month which reflects one hundred per cent (100%) of the  
 21 monthly premium and administrative fees.

22 SECTION 9. This Act, upon its approval, shall take effect  
 23 retroactive to July 1, 2011.

24  
 25 INTRODUCED BY: 

26 BY REQUEST

**Report Title:**

Employer-Union Health Benefits Trust Fund Contributions

**Description:**

Provides Employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the employees of collective bargaining unit 11 and its excluded counterparts.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

SB. NO. 1058

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO EMPLOYER UNION HEALTH BENEFITS TRUST FUND CONTRIBUTIONS.

PURPOSE: To provide Employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the employees of collective bargaining unit 11, and for state officers and employees excluded from collective bargaining unit 11.

MEANS: By the Legislature determining amounts.

JUSTIFICATION: The Employer and the Hawaii Firefighters Association are at impasse in collective bargaining negotiations, regarding contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public officers and employees of bargaining unit 11. Pursuant to section 89-11(g), Hawaii Revised Statutes, the State's proposed contributions are being submitted via this bill. The approved budget for fiscal years 2011-2012 and 2012-2013 provides for 50 percent-50 percent employer-employee contributions. This bill provides contributions consistent with the budgeted amounts.

Impact on the public: None.

Impact on the department and other agencies:  
Setting these rates consistent with the rates agreed to by other bargaining units that have contracts in place will allow targeted savings in the budget for employer contributions for Employer-Union Health Benefits Trust Fund benefits to be achieved. Setting these rates the same as the rates

agreed to by other bargaining units that have contracts in place will provide equity among bargaining units for employer contributions for Employer-Union Health Benefits Trust Fund benefits. This bill provides a mechanism to effectuate these rates.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: Not applicable.

OTHER AFFECTED  
AGENCIES: Judiciary, Hawaii Health Systems Corporation, and Department of Education.

EFFECTIVE DATE: Upon approval, retroactive to July 1, 2011.