

STAND. COM. REP. NO.

859

Honolulu, Hawaii

March 1, 2013

RE: H.B. No. 546
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 546, H.D. 1, 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 convene a task force in the Department of Budget and Finance to examine the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund.

More specifically, the task force is tasked with examining:

- (1) The current and projected unfunded actuarial accrued liability of the trust fund;
- (2) The availability of medical benefits plans other than plans that pay or reimburse medical services providers under a fee-for-service model;
- (3) The costs and benefits of alternative medical benefits plans in relation to the medical benefits plans currently offered by the trust fund;
- (4) The costs and process of transitioning from the current medical benefits plans to an alternative plan, including recommended legislation; and



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- (5) Any other relevant matters.

The United Public Workers, AFSCME, Local 646, AFL-CIO, and the University of Hawaii Professional Assembly submitted testimony in support of the measure.

The Department of Budget and Finance and the Department of Human Resources of the City and County of Honolulu submitted comments.

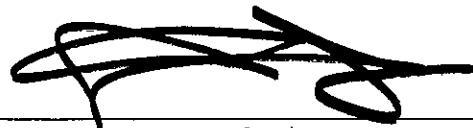
Your Committee finds that the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund is substantial and requires collaboration and ingenuity to resolve. This measure will establish and empower a task force to address this critical issue.

Your Committee has amended this measure by:

- (1) Making an unspecified appropriation from the general fund to support the work of the task force, including necessary travel expenses of neighbor island members and potential consulting fees; and
- (2) Replacing the two members to be chosen by the Governor with one member from the Hawaii Council of Mayors and one member from the Hawaii State Association of Counties.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 546, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 546, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



