

HB 546

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LATE TESTIMONY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
ON
HOUSE BILL NO. 546

February 5, 2013

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND

House Bill No. 546: prohibits the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) from offering medical benefits plans that pay or reimburse providers under a fee-for-service model; requires the EUTF's Board of Trustees to evaluate alternative payment models to replace the fee-for-service model and submit a report to the Governor and Legislature before the regular session of 2015; and appropriates an unspecified amount of general funds for the evaluation.

The Department of Budget and Finance supports the intent of exploring other concepts with the objective of reducing the unfunded actuarial accrued liability of the EUTF. It should be noted that according to the EUTF's benefits consultant, none of the plans offered by the EUTF are considered fee-for-service medical plans.