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# A BILL FOR AN ACT

MAKING AN APPROPRIATION FOR THE PREMIUM SUPPLEMENTATION TRUST  
FUND.

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

1           SECTION 1. The legislature finds that the premium  
2 supplementation trust fund was created in 1974 to pay premium  
3 supplementations to qualified employers and to pay health care  
4 expenses to eligible employees of non-complying or insolvent  
5 employers. The fund was established by a one-time general fund  
6 appropriation of \$500,000 and remained healthy during its first  
7 thirty years of existence, but the health of the fund began to  
8 decline as more employers sought supplementation payments to  
9 help pay for their health care premiums. The legislature  
10 further finds that between 2004 and July 2015, the fund's  
11 balance declined from \$3,478,617 to \$226,526. During the  
12 fourteen-month period from June 1, 2014, to July 31, 2015, the  
13 fund paid over \$555,619 in premium supplementations and, at the  
14 current payout rate, the department of labor and industrial  
15 relations predicts the fund will become insolvent in fiscal year  
16 2016-2017.



1           The purpose of this Act is to ensure the fund remains  
2 solvent to carry out the purposes of the Prepaid Health Care  
3 Act.

4           SECTION 2. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$           or so much  
6 thereof as may be necessary for fiscal year 2016-2017 to be  
7 deposited into the premium supplementation trust fund pursuant  
8 to section 393-41, Hawaii Revised Statutes.

9           SECTION 3. This Act shall take effect on July 1, 2016.



**Report Title:**

Appropriation; Premium Supplementation Trust Fund

**Description:**

Makes an appropriation to replenish funds in the Premium Supplementation Trust Fund to cover the costs of health care expenses for eligible employees and for premium supplementation for employers that are entitled to premium supplementation under the Prepaid Health Care Act. (HB2361 HD1)

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

