

Honolulu, Hawaii
March 23, 2016

RE: S.B. No. 2839
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2839, S.D. 2, 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:

- (1) Amend the Employer-Union Health Benefits Trust Fund (EUTF) definition of "dependent-beneficiary" to:
 - (A) Clarify the eligibility of children for participation in EUTF benefits plans; and
 - (B) Conform with the federal Patient Protection and Affordable Care Act of 2010; and
- (2) Make housekeeping amendments to sections 87A-34 and 87A-36, Hawaii Revised Statutes.

The EUTF Board of Trustees testified in support of this measure.

Your Committee has amended this measure by inserting the contents of H.B. No. 2015, H.D. 1, which was passed out from this Committee earlier this session, as Part II; which would:

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- (1) Exempt contracts for the procurement of EUTF carriers, third-party administrators, and professional service providers from the State Procurement Code;
- (2) Amend the fiduciary duties and composition, as well as the appointment, vacancy, and voting procedures, of the EUTF Board of Trustees;
- (3) Authorize the establishment of sub-boards of the EUTF Board of Trustees for the negotiation of contributions that apply specifically to particular bargaining units;
- (4) Authorize the EUTF Board of Trustees to appoint attorneys independent of the Department of the Attorney General; and
- (5) Transfer the administrative attachment of the EUTF from the Department of Budget and Finance to the Office of Collective Bargaining.

Other technical, nonsubstantive amendments were 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 S.B. No. 2839, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2839, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



MARK M. NAKASHIMA, Chair



