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# SENATE CONCURRENT RESOLUTION

URGING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO  
PREPARE A CHECKLIST FOR EMPLOYERS WISHING TO OFFER A HIGH  
DEDUCTIBLE HEALTH PLAN FOR USE WITH A HEALTH SAVINGS  
ACCOUNT TO FACILITATE THE SUBMISSION AND APPROVAL PROCESS  
FOR EMPLOYERS SEEKING SUCH PACKAGES.

1           WHEREAS, since January 1, 2004, employers across the nation  
2 have had the option, through section 223 of the Internal Revenue  
3 Code, to offer high deductible health plans to their employees  
4 to enable the employees to receive favorable federal tax  
5 benefits when they open a health savings account; and  
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7           WHEREAS, Hawaii income tax law conforms to section 223 of  
8 the Internal Revenue Code through section 235-2.3(a), Hawaii  
9 Revised Statutes, and also affords favorable state tax treatment  
10 to health savings accounts; and  
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12           WHEREAS, pursuant to section 393-7, Hawaii Revised  
13 Statutes, an employer subject to the Hawaii Prepaid Health Care  
14 Act must receive approval from the Director of Labor and  
15 Industrial Relations in order to offer its employees a  
16 healthcare option, such as a high deductible health plan in  
17 tandem with a health savings account, in addition to coverage  
18 under a prepaid health care plan; and  
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20           WHEREAS, the current Director of Labor and Industrial  
21 Relations has stated through testimony that it is possible for a  
22 high deductible health plan, in tandem with a health savings  
23 account, to satisfy section 393-7(b), Hawaii Revised Statutes,  
24 depending on the specific package containing the high deductible  
25 health plan and health savings account that an employer presents  
26 to the Director; and  
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28           WHEREAS, in order for a package containing a high  
29 deductible health plan and health savings account to receive



1 widespread support, it would need to require the employer to  
2 make a certain level of contribution to the health savings  
3 account and a certain level of contribution to the cost of the  
4 coverage of dependents under a package; and

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6 WHEREAS, an employer is not required to offer a package  
7 containing a high deductible health plan and health savings  
8 account, nor is any employee required to enroll in such a  
9 package; and

10  
11 WHEREAS, the significant federal and state tax benefits to  
12 employees who hold health savings accounts include the  
13 deductibility of contributions to health savings accounts,  
14 subject to a limit; tax-free growth of the contributions held by  
15 health savings accounts; and the exemption from income tax of  
16 any distribution from a health savings account if the  
17 distribution is used exclusively to pay qualified medical  
18 expenses; now, therefore,

19  
20 BE IT RESOLVED by the Senate of the Twenty-ninth  
21 Legislature of the State of Hawaii, Regular Session of 2017, the  
22 House of Representatives concurring, that the Department of  
23 Labor and Industrial Relations is urged to prepare a checklist  
24 for employers wishing to offer a high deductible health plan for  
25 use with a health savings account to facilitate the submission  
26 and approval of high deductible health plan and health savings  
27 account packages submitted to the Director of Labor and  
28 Industrial Relations for approval; and

29  
30 BE IT FURTHER RESOLVED that the requested checklist  
31 prepared by the Department of Labor and Industrial Relations be  
32 utilized to help avoid administrative submission issues with  
33 receiving approval under section 393-7(b), Hawaii Revised  
34 Statutes, as well as submission to the Prepaid Health Care  
35 Advisory Council; and

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37 BE IT FURTHER RESOLVED that a certified copy of this  
38 Concurrent Resolution be transmitted to the Director of Labor  
39 and Industrial Relations.

