

STAND. COM. REP. NO.

837

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 888
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 888
entitled:

"A BILL FOR AN ACT RELATING TO ADDRESSING THE HEALTH UNFUNDED
LIABILITY,"

begs leave to report as follows:

The purpose of this measure is to address the State's
unfunded liability by directing the Auditor to conduct a
feasibility study on providing health benefits to state and county
employees using a self-insured model.

One concerned individual supported this measure. The State
Procurement Office opposed this measure. The Office of the
Auditor, Hawaii Employer-Union Health Benefits Trust Fund, and one
concerned individual provided comments.

Your Committee has amended this measure by:

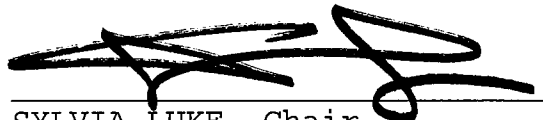
- (1) Requiring the Legislative Reference Bureau rather than
the Auditor to conduct the feasibility study;
- (2) Removing the Procurement Code exemption for contracted
services related to the development of the study;



- (3) Expanding the scope of the study regarding the collection of certain data and the potential impacts of transitioning to a different model;
- (4) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 888, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 888, H.D. 1, and be placed on the calendar for Third Reading.

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



SYLVIA LUKE, Chair



