STAND. COM. REP. NO.

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. 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,



State of Hawaii House of Representatives The Twenty-ninth Legislature HSCR 837

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 888	Committee Referral: FIN	Date:	2-24	-2017
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)			Total of management	
3. CACHOLA, Romy M.				
4. CHOY, Isaac W.				
5. DeCOITE, Lynn		<u> </u>		
6. GATES, Cedric Asuega				
7. HOLT, Daniel			*	
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.				
11. LOWEN, Nicole E.			ta and a	
12. NAKAMURA, Nadine K.			**	
13. TOKIOKA, James Kunane		✓		
14. QUINLAN, Sean				
15. YAMASHITA, Kyle T.				:
16. TUPOLA, Andria P.L.				
17. WARD, Gene				
TOTAL (17)	14	2	Ø	/
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				