

STAND. COM. REP. NO. **575**

Honolulu, Hawaii

**FEB 15 2019**

RE: S.B. No. 1204  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 1204 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION  
HEALTH BENEFITS TRUST FUND DEFINITIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the eligibility of surviving children to receive benefits under the Employer-Union Health Benefits Trust Fund by amending the definitions of "dependent-beneficiary" and "employee-beneficiary" as used in chapter 87A, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) offers health benefits to dependents of state and county employees and retirees. Your Committee further finds that under existing law, when an employee is killed in the performance of the employee's duty, the employee passes away when eligible for retirement, or the retiree passes away, the employee's or retiree's surviving spouse's children that are born after the employee's or retiree's death are eligible to participate in benefit plans offered by the fund. However, your Committee finds that a child born or legally adopted after an employee's or retiree's death who is not the natural or adopted



child of the deceased employee or retiree should not be eligible to participate in fund benefit plans because the child is not the child of the state or county employee or retiree.

Your Committee also finds that under existing law, the definition of "employee-beneficiary" limits coverage of surviving children of employees who pass away when eligible for retirement and retirees who pass away to age nineteen, which is lower than surviving children of employees who are killed in the performance of their duty. The date of coverage termination for surviving children of employees who pass away when eligible for retirement and retirees who pass away should be the same as surviving children of employees who are killed in the performance of their duty.

While this measure addresses those issues, your Committee notes that additional amendments related to dependent-beneficiaries are necessary to bring the EUTF into compliance with federal law and to update other references to conform with the State's civil union law.

Accordingly, your Committee has amended this measure by:

- (1) Updating the purpose section to reflect amendments made to this measure;
- (2) Bringing the definition of "dependent-beneficiary" into conformance with the federal Patient Protection and Affordable Care Act of 2010, which prohibits restricting health insurance coverage to only unmarried dependents and dependents who live with the employee-beneficiary and denying health insurance coverage to married dependents and dependents who do not live with the employee-beneficiary;
- (3) Upon recommendation of the EUTF, that for purposes of excluding a child born or legally adopted more than ten months after the date of the death of an employee killed in the performance of duty from the definition of dependent-beneficiary, clarifying that the employee is an "active" employee;



- (4) Updating references related to marriage to account for civil unions in sections 87A-32, 87A-33, 87A-34, 87A-35, and 87A-36, Hawaii Revised Statutes;
- (5) Inserting an effective date of January 1, 2051, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1204, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor, Culture and  
the Arts,




BRIAN T. TANIGUCHI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor, Culture and the Arts**  
**LCA**

Bill / Resolution No.:* <b>SB 1204</b>	Committee Referral: <b>LCA, JDC/WAM</b>	Date: <b>2-7-19</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
GABBARD, Mike				✓
FEVELLA, Kurt				✓
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes