



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
ON
HOUSE BILL NO. 815, H.D. 1

February 11, 2025
2:00 p.m.
Room 329 and Videoconference

RELATING TO HEALTH INSURANCE

The Department of Budget and Finance (B&F) opposes this bill.

House Bill No. 815, H.D. 1, amends Section 87A-16, HRS, to require that health benefits plan or plans established by the Employer-Union Health Benefits Trust Fund (EUTF) meet or exceed the requirements of Chapter 393 (Hawai'i Prepaid Health Care Act (HPHCA)).

B&F opposes this bill because the current statutory arrangement provides for a fair and reasonable process to develop health benefit plans that meet the needs of both the employer and public employees. The EUTF Board is made up of both employer and public employee representatives who are tasked with developing health benefit plans at a cost affordable to both public employers and public employees. Currently, EUTF offers a range of plans, some of which have more extensive benefits than the HPHCA and some of which are less expensive and allow the employee to save money. The employee can choose the plan that makes the most sense for them.

In addition, the amounts the employer contributes are subject to collective bargaining negotiations pursuant to Section 89-9, HRS, and this would continue to be

the case under the exemption to costs-sharing arrangements in the HPHCA provided in Section 393-19, HRS. Under the current employer contribution levels, many employees would be forced to pay significantly more for health care coverage.

We believe the current process provides EUTF the flexibility to develop plans that best meet the needs of both the employer and public employees.

Thank you for your consideration of our comments.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.



Randy Perreira
President

HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

LATE

The Thirty-Third Legislature
House of Representatives
Committee on Consumer Protection & Commerce

Testimony by
Hawaii State AFL-CIO

February 11, 2025

TESTIMONY IN SUPPORT OF HB815 HD1 - RELATING TO HEALTH INSURANCE

Chair Matayoshi, Vice Chair Chun, and members of the committee:

The Hawaii State AFL-CIO is a state federation of 76 affiliate labor organizations representing over 69,000 union members across Hawaii in industries including healthcare, construction, hospitality, entertainment, transportation, and government. The AFL-CIO serves its affiliates by advocating for the rights of working families, promoting fair wages, ensuring safe working conditions, and supporting policies that strengthen Hawaii's workforce.

We support HB815 HD1, which requires health benefits provided to working families to meet or exceed the requirements of the Prepaid Health Care Act. This measure helps ensure working families continue to receive the comprehensive healthcare coverage they deserve.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Randy Perreira'.

Randy Perreira
President



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2025**

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Scot Z. Matayoshi, Chair

Rep. Cory M. Chun, Vice Chair

Tuesday, February 11, 2025, 2:00 PM
Conference Room 329 & Videoconference

Re: Testimony on HB815, HD1 – RELATING TO HEALTH INSURANCE

Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW supports HB815, HD1, which requires the health benefits plan or plans established by the Employer-Union Health Benefits Trust Fund (“EUTF”) board to meet or exceed the requirements of the Prepaid Health Care Act.

Currently, public employees who select the HMSA 75/25, one of the more affordable medical plans offered by the EUTF, pay the same monthly employee contribution irrespective of pay. While we believe the employers should pay a greater percentage of the monthly benefit plan premium, this measure would ensure that lower-paid public employees would not have to pay more than 1.5% of their wages toward their benefit premiums.

Mahalo for the opportunity to testify in support of this measure.

HEADQUARTERS

1426 North School Street
Honolulu, Hawaii 96817-1914
Phone 808.847.2631

HAWAII

362 East Lanikaula Street
Hilo, Hawaii 96720-4336
Phone 808.961.3424

KAUAI

2970 Kele Street, Suite 213
Lihue, Hawaii 96766-1803
Phone 808.245.2412

MAUI

841 Kolu Street
Wailuku, Hawaii 96793-1436
Phone 808.244.0815

1.866.454.4166

Toll Free - *Molokai/Lanai only*



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
The House of Representatives
Committee on Consumer Protection and Commerce

Testimony by
Hawaii Government Employees Association

February 11, 2025

H.B. 815, H.D. 1 — RELATING TO HEALTH INSURANCE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 815, H.D. 1, which requires the health benefits plan or plans established by the Employer-Union Health Benefits Trust Fund board to meet or exceed the requirements of the Prepaid Health Care Act.

All employees deserve affordable health care options, but this is especially necessary for employees who participate in the EUTF and are on the lower salary range, where they see a significant portion of their paycheck go towards their medical premiums. To afford a plan with decent benefits, they must pay at least 40% of the total cost of the medical premiums, regardless of how much they earn, which depending on the plan and type of enrollment can be as high as \$336 a month for the HMSA PPO 80/20 self-plan or \$555 for the HMSA PPO 90/10 self-plan – our members who are on the lower end of the salary must pay a larger portion of their paycheck towards their health insurance. The cost of health insurance for our government workforce has become unaffordable for too many.

Private sector employees are covered under the Prepaid Health Care Act, which caps employee contributions at 1.5% of an employee's wage. Having more affordable insurance can be one of many tools that the state can use to compete with the private sector and federal government. If this measure was to pass, public employees will be able to take home a larger portion of their salary, that otherwise would have gone to pay for their medical premiums.

Thank you for the opportunity to provide testimony in strong support of H.B. 815, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director