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WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON LABOR
ON
HOUSE BILL NO. 815

January 28, 2025
9:00 a.m.
Room 309 and Videoconference

RELATING TO HEALTH INSURANCE

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

House Bill (H.B.) No. 815 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 that are tasked with developing health benefit plans at a cost affordable to both the 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.



Randy Perreira
President

HAWAII STATE AFL-CIO

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The Thirty-Second Legislature
House of Representatives
Committee on Labor

Testimony by
Hawaii State AFL-CIO

January 28, 2025

TESTIMONY IN SUPPORT OF HB815 - RELATING TO HEALTH INSURANCE

Chair Sayama, Vice Chair Lee, and members of the committee:

The Hawaii State AFL-CIO is a state federation of 74 affiliate labor organizations representing over 68,000 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 are in support of HB815, 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



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Thirty-Third Legislature, State of Hawaii
The House of Representatives
Committee on Labor

Testimony by
Hawaii Government Employees Association

January 28, 2025

H.B. 815 — RELATING TO HEALTH INSURANCE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 815, 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.

Respectfully submitted,


Randy Perreira
Executive Director