

A Bill for an Act Relating to the Public Employees Health Fund.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 87-1, Hawaii Revised Statutes, is amended by amending the definition of “health benefits plan” to read:

- “(8) “Health benefits plan” means (A) a group insurance contract or medical, hospital, surgical, prescribed drugs, vision, or dental service agreement in which a carrier agrees to provide, pay for, arrange for, or reimburse the cost of [health,] medical, hospital, surgical, prescribed drugs, vision, or dental services as determined by the board; or (B) a similar schedule of benefits established by the board and provided through the fund on a noninsured basis;”

SECTION 2. Section 87-4, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) The State through the department of budget and finance and the several counties through their respective departments of finance shall pay to the fund a monthly contribution equal to the amount established under chapter 89C or specified in the applicable public sector collective bargaining agreement, whichever is appropriate, for each of their respective employee-beneficiaries and employee-beneficiaries with dependent-beneficiaries,¹ such contributions to be used towards the payment of costs of [hospital, medical, and surgical benefits of] a health benefits plan; provided that the monthly contribution shall not exceed the actual cost of a health benefits plan. If both husband and wife are employee-beneficiaries, the total contribution by the State or the appropriate county shall not exceed the monthly contribution of a family plan for both of them. [The monthly contribution shall be based upon the HMSA regular plan rates which are approved by the board.]”

2. By amending subsection (d) to read:

“(d) The several counties through their respective departments of finance shall annually reimburse the State no later than December 30 of each fiscal year for their respective pro rata share of the cost of administering the fund for the fiscal year for the benefit of their employee-beneficiaries and dependent-beneficiaries. Each county’s pro rata share shall be determined by allocating the amount appropriated for administering the fund for the fiscal year, after excluding therefrom state and county contributions for [hospital, medical, and surgical benefits, dental benefits,] health and group

life insurance benefits, in the same proportion as the aggregate annual amount of state and county contributions for such benefits as of October 31 of the preceding fiscal year. The amount of any excess or deficiency required to administer the fund shall be subtracted from or added to, as the case may be, the amount due from each county for the succeeding fiscal year.”

SECTION 3. Section 87-6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) During the period the health benefits plan selected by an employee-beneficiary is in effect, the employee-beneficiary shall authorize, if allowed under present laws, that his contribution be withheld and transmitted to the fund monthly by the comptroller[, county auditor,] or finance officer from whom he receives his compensation, pension, or retirement pay. If, however, an employee-beneficiary’s contribution to the fund is not withheld and transmitted to the fund, the employee-beneficiary shall pay his monthly contribution (1) directly to the fund by the tenth day of each month, in the case of an employee-beneficiary who normally receives his compensation from the comptroller of the State, or (2) in the case of all other employee-beneficiaries, to the respective [county auditor or] finance officer from whom he normally receives his compensation for transmittal to the fund by the tenth day of each month.”

SECTION 4. Section 89-9, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) Negotiations relating to contributions to the Hawaii public employees health fund shall be for the purpose of agreeing upon the amounts which the State and counties shall contribute under section 87-4, toward the payment of the costs for [hospital, medical, surgical, and dental benefits of] a health benefits plan, as defined in section 87-1(8), and group life insurance benefits, and the parties shall not be bound by the amounts contributed under prior agreements; provided that [the provisions of] section 89-11 for the resolution of disputes by way of fact-finding or arbitration shall not be available to resolve impasses or disputes relating to the amounts the State and counties shall contribute to the Hawaii public employees health fund.”

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved April 27, 1987.)

Note

1. Hyphen should be underscored.