

ACT 147

S.B. NO. 1048

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 87-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The fund shall be used for the purpose of providing employee-beneficiaries and dependent-beneficiaries with a health benefits plan and a long-term care benefits plan; provided that the fund, including rate credits or reimbursements from any carrier or self-insured plan or any earning or interest derived therefrom, may be used to stabilize health benefits plan or long-term care benefits plan rates, and with approval of the legislature through appropriation of funds for other expenses necessary to effectuate these purposes. Notwithstanding any law to the contrary, any rate credit or reimbursement from any carrier or self-insured plan in excess of funds used to stabilize health benefits plan or long-term care benefits plan costs, and for

other expenses authorized by the legislature or any earning or interest derived therefrom [shall]:

- (1) Shall be returned to the State or the county for deposit into the appropriate general fund if the moneys are returned from:
 - ~~(1)~~ (A) A plan that provides health benefits to retirees or the surviving spouses of deceased retirees or employees killed in the performance of their duty whose coverage is financed in whole or in part by the State or by the county; or
 - ~~(2)~~ (B) A plan that provides health benefits to employees; provided that the amount returned to the general fund shall be only that portion financed by the State or by the county on behalf of the employee[-]; and
- (2) As authorized by the board, may be:
 - (A) Returned to identifiable employee-beneficiaries who participated in ascertainable years to create the rate credit or reimbursement or to any other employee-beneficiaries; or
 - (B) Used to reduce the employee-beneficiary's respective share of monthly contributions to a health benefits plan; provided that the amount was derived from employee-beneficiary rate contributions to health benefit plans of employee-beneficiaries who are not participating in a health benefits plan of an employee organization, or interest derived therefrom.

SECTION 2. Section 87-22.3, Hawaii Revised Statutes, is amended to read as follows:

“**§87-22.3 Determination of health benefits plans.** Pursuant to section 87-4, the board of trustees shall provide health benefits to employee-beneficiaries in the following manner:

- (1) For those employee-beneficiaries who are not participating in a health benefits plan of an employee organization (hereafter “nonparticipating employee-beneficiaries”), the board of trustees shall establish health benefits plans and the requirements for eligibility under the health benefits plans [~~Any rate credit or reimbursement from any carrier derived from employee-beneficiary rate contributions to health benefits plans of nonparticipating employee-beneficiaries or interest derived therefrom may be used to improve the respective health benefits plans of nonparticipating employee-beneficiaries or to reduce the employee-beneficiary's respective share of monthly contributions to a health plan~~]; or
- (2) For employee-beneficiaries who participate in the health benefits plan of an employee organization, the board of trustees shall pay a monthly contribution for each employee-beneficiary, in the amount provided in section 87-4(a), or the actual monthly cost of the coverage, whichever is less, towards the purchase of health benefits under the health benefits plan of an employee organization.”

SECTION 3. Section 87-28, Hawaii Revised Statutes, is amended to read as follows:

“**§87-28 Other powers.** In addition to the power to administer the fund, the board of trustees may:

- (1) Collect, receive, deposit, withdraw, and invest money on behalf of the fund;

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- (2) Appoint an administrator and staff necessary to carry out this chapter, subject to the limitations of available appropriations and chapters 76 and 77 and section 78-1;
- (3) Make payments of periodic charges and ~~[pay for]~~ reasonable expenses incurred to:
 - (A) Perform financial audits of the fund and claims audits of its insurance carriers; or
 - (B) Carry out the purposes of the fund[;], including the return of refunds to employee-beneficiaries; or
- (4) Require any department, agency, or employee of the State and county to furnish information to the board to carry out the purposes of this chapter.”

SECTION 4. There is appropriated out of the Hawaii public employees health fund trust fund the sum of \$24,100,000, or so much thereof as may be necessary for fiscal year 2001-2002, to carry out the purposes of this Act including the payment of administrative expenses, postage, and fees to distribute refunds and to service inquiries from employee-beneficiaries.

SECTION 5. The sum appropriated shall be expended by the department of budget and finance.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2001.

(Approved May 24, 2001.)