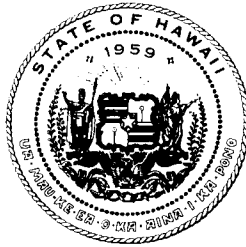


ATTACHMENT 1

STATE OF HAWAII  
OFFICE OF THE AUDITOR  
465 S. King Street, Room 500  
Honolulu, Hawaii 96813-2917



MARION M. HIGA  
State Auditor

(808) 587-0800  
FAX: (808) 587-0830

April 27, 1999

*COPY*

Mr. George Butterfield, Chair  
Board of Trustees  
Hawaii Public Employees Health Fund  
City Financial Tower  
201 Merchant Street, Suite 1520  
Honolulu, Hawaii 96813

Dear Mr. Butterfield:

Enclosed for your information are 9 copies, numbered 6 to 14 of our draft report, *Actuarial Study and Operational Audit of the Hawaii Public Employees Health Fund*. We ask that you telephone us by Thursday, April 29, 1999, on whether or not you intend to comment on our recommendations. Please distribute the copies to the members of the board. If you wish your comments to be included in the report, please submit them no later than Monday, May 3, 1999.

The Administrator of the Hawaii Public Employees Health Fund, Department of Budget and Finance, Governor, and presiding officers of the two houses of the Legislature have also been provided copies of this draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Marion M. Higa  
State Auditor

Enclosures