HOUSE OF REPRESENTATIVES TWENTY-FIFTH LEGISLATURE, 2010 STATE OF HAWAII H.B. NO. 2854

A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. (a) The purpose of this Act is to address the
 need to stabilize the cost of benefits provided by the employer union health benefits trust fund.

4 (b) More specifically, this Act makes the following major5 policy amendments:

6	(1)	Requires the employer-union health benefits trust fund
7		board of trustees to establish multiple health
8		benefits plans differing in number of insureds
9		covered, types of benefits provided, amounts of
10		deductibles and co-payments, and costs of premiums;
11	(2)	Makes the public employer's monthly contribution non-
12		negotiable under collective bargaining;
13	(3)	Repeals the group life insurance benefits; and
14	(4)	Establishes a single flat dollar amount as the public
15	•	employer's contribution for the health benefits plan
16)	or plans of each public employee.

H.B. NO. 2854

2

1		The legislature finds that the current system of
2		different public employers' health benefits plan
3		contributions for public employees is not equitable.
4		Public employees who enroll in more costly plans
5		receive higher public employers' contributions than
6		public employees enrolled in less costly plans or not
7		enrolled at all. This Act seeks to rectify the
8		inequity.
9	(c)	This Act also makes the following amendments to
10	administr	ative provisions:
11	(1)	Requires a majority vote of the board to approve an
12		action;
13	(2)	Changes the main duty of the board of trustees to
14		providing health benefits at costs affordable to
15		employees;
16	(3)	Requires one of the trustees of the board representing
17		public employers to represent the county employers;
18	(4)	Specifies that a trustee may be held over after the
19		end of the trustee's term until the earlier of the
20		following: the date the trustee's successor is
21		appointed or the one hundred eightieth day following
22		the end of the trustee's term;

H.B. NO. 2854

1	(5) Reduces some of the administrative authority of the
2	director of finance over the trust fund; and
3	(6) Adds certain duties for the board.
4	This Act takes effect on July 1, 2011, a date following the
5	expiration of public employees' collective bargaining contracts.
6	SECTION 2. Section 87A-5, Hawaii Revised Statutes, is
7	amended to read as follows:
8	"§87A-5 Composition of board. The board of trustees of
9	the employer-union health benefits trust fund shall consist of
10	ten trustees appointed by the governor in accordance with the
11	following procedure:
12	(1) Five trustees, one of whom shall represent retirees,
13	to represent employee-beneficiaries and to be selected
14	as follows:
15	(A) Three trustees shall be appointed from a list of
16	two nominees per trustee selected by each of the
17	three exclusive representative organizations that
18	have the largest number of employee-
19	beneficiaries;
20	(B) One trustee shall be appointed from a list of two
21	nominees selected by mutual agreement of the

1	remaining exclusive employee representative
2	organizations; and
3	(C) One trustee representing retirees shall be
4	appointed from a list of two nominees selected by
5	mutual agreement of all eligible exclusive
6	representatives; and
7	(2) Five trustees to represent public employers $[-,]$ one of
8	whom shall represent county employers.
9	Section 26-34 shall not apply to board member selection and
10	terms. Notwithstanding any other provision of this section, no
11	exclusive representative of a bargaining unit that sponsors or
12	participates in a voluntary employee beneficiary association
13	shall be eligible to select nominees or to be represented by a
14	trustee on the board.
15	As used in this section, the term "exclusive
16	representative" shall have the same meaning as in section 89-2."
17	SECTION 3. Section 87A-6, Hawaii Revised Statutes, is
18	amended to read as follows:"
19	"§87A-6 Term of a trustee; vacancy. The term of office of
20	each trustee shall be four years; provided that a trustee may be
21	reappointed for one additional consecutive four-year term.



1 A vacancy on the board shall be filled in the same manner 2 as the trustee who vacated that position was nominated or 3 appointed; provided that the criteria used for nominating or 4 appointing the successor shall be the same criteria used for 5 nominating or appointing the person's predecessor; provided 6 further that vacancies on the board for each trustee position representing retirees and employee-beneficiaries appointed under 7 8 section 87A-5(1)(A) and (B) shall be filled by appointment of 9 the governor as follows:

10 (1) If a vacancy occurs in one of the trustee positions
11 described in section 87A-5(1)(A), then the vacancy
12 shall be appointed from a list of two nominees
13 submitted by the exclusive employee representative
14 from among the three largest exclusive employee
15 representatives that does not have a trustee among the
16 three trustee positions;

17 (2) If a vacancy occurs in a trustee position described in
18 section 87A-5(1)(B), then the vacancy shall be
19 appointed from a list of two nominees submitted by
20 mutual agreement of the exclusive employee
21 representatives described in section 87A-5(1)(B); and

Page 6

1 (3) If a vacancy occurs in the retiree position described 2 in section 87A-5(1)(C), then the vacancy shall be 3 appointed from a list of two nominees submitted by 4 mutual agreement of all eligible exclusive employee 5 representatives. 6 If by the end of a trustee's term the trustee is not 7 reappointed or the trustee's successor is not appointed, the 8 trustee shall serve until the earlier of the following: the 9 date the trustee's successor is appointed [-] or the one hundred 10 eightieth day following the end of the trustee's term." 11 SECTION 4. Section 87A-11, Hawaii Revised Statutes, is 12 amended to read as follows: 13 "[+] §87A-11[+] Quorum; board actions; voting. (a) [Six] 14 A majority of the trustees [, three of whom represent the public 15 employer and three of whom represent employee-beneficiaries,] 16 shall constitute a quorum for the transaction of business. 17 [(b) Trustees representing the public employers shall 18 collectively have one vote. Trustees representing the employee-19 beneficiaries shall collectively have one vote. 20 For any vote of the trustees representing the public 21 employers to be valid, three of these trustees must concur to 22 cast such a vote. In the absence of such concurrence, the HB LRB 10-0518-1.doc

Page 7

1	trustees representing the public employers shall be deemed to
2	have abstained from voting.
3	For any vote of the trustees representing the employee-
4	beneficiaries to be valid, three of these trustees must concur
5	to-cast such a vote. In the absence of such concurrence, the
6	trustees-representing the employee-beneficiaries shall be deemed
7	to have abstained from voting.
8	An abstention-shall-not be counted as either a vote in
9	favor or against a matter before the board.
10	(c)] (b) Any action taken by the board shall be by the
11	[concurrence] <u>approval</u> of at least [two_votes.] <u>a majority of</u>
12	the trustees. In the event of a tie vote on any motion, the
13	motion shall fail. Upon the concurrence of six trustees, the
14	board shall participate in dispute resolution."
15	SECTION 5. Section 87A-15, Hawaii Revised Statutes, is
16	amended to read as follows:
17	"[+]\$87A-15[+] Administration of the fund. (a) The board
18	shall administer and carry out the purpose of the fund. Health
19	[and other] benefit plans shall be provided at a cost affordable
20	to [both the public employers and the] public employees[-] after
21	consideration of the employer contributions set under this
22	chapter.
	HB LRB 10-0518-1.doc

1	(b)	Section 26-35 shall apply to the board, except as
2	follows:	
3	(1)	Notwithstanding section 26-35(1), the board, not
4		director of finance, shall represent itself in
5		communications with the governor and the legislature;
6	(2)	Notwithstanding section 26-35(2), the financial
7		requirements for the administration of the fund shall
8		be submitted through the director of finance and, if
9		the source of funding is reserves or earnings of the
10		fund, included unaltered by the director in the budget
11		for the department of budget and finance. This
12		paragraph shall not apply to financial requirements
13		for the State's contributions to the fund, which shall
14		be subject to section 26-35(2);
15	<u>(3)</u>	Notwithstanding section 26-35(4), the employment,
16		appointment, promotion, transfer, demotion, discharge,
17		and job descriptions of all officers and employees of
18		or under the jurisdiction of the board shall not be
19		subject to the approval of the director of finance;
20		and
21	(4)	Notwithstanding section 26-35(5), purchases of
22		supplies, equipment, or furniture by the board or any



9 [.]

1	officer or employee authorized by the board shall not
2	be subject to the approval of the director of
3	finance."
4	SECTION 6. Section 87A-16, Hawaii Revised Statutes, is
5	amended by amending subsection (a) to read as follows:
6	"(a) The board shall establish [the] more than one health
7	benefits [plan or] plans, which shall be exempt from the minimum
8	group requirements of chapter 431. The board shall establish
9	plans that differ as to number of employee-beneficiaries and
10	dependent-beneficiaries covered, types of health benefits
11	provided, amounts of deductibles and co-payments, and costs of
12	premiums."
13	SECTION 7. Section 87A-22, Hawaii Revised Statutes, is
14	amended by amending subsection (b) to read as follows:
15	"(b) The board shall establish conditions and procedures
16	for <u>health</u> benefits plan enrollment[-]; provided that an
17	employee-beneficiary shall not be permitted to enroll in
18	different health benefits plans that provide duplicative health
19	benefits."
20	SECTION 8. Section 87A-31, Hawaii Revised Statutes, is
21	amended to read as follows:

H.B. NO. 2854

10

1 "§87A-31 Trust fund; purpose. (a) The fund shall be used 2 to provide employee-beneficiaries and dependent-beneficiaries 3 with health and other benefit plans, and to pay administrative 4 and other expenses of the fund. All assets of the fund are and 5 shall be dedicated to providing health and other benefits plans 6 to the employee-beneficiaries and dependent-beneficiaries in 7 accordance with the terms of those plans and to pay 8 administrative and other expenses of the fund, and shall be used 9 for no other purposes except for those set forth in this 10 section.

(b) The fund, including any earnings on investments, and rate credits or reimbursements from any carrier or self-insured plan and any earning or interest derived therefrom, may be used to stabilize health and other benefit plan rates; provided that the approval of the governor and the legislature shall be necessary to fund administrative and other expenses necessary to effectuate these purposes.

18 [(c) The fund may be used to provide group life insurance 19 benefits to employees to the extent that contributions are 20 provided for group life insurance benefits in sections 87A-32 21 and 87A-37.



H.B. NO. 2854

1 (d)] (c) The fund may assist the State and the counties to 2 implement and administer cafeteria plans authorized under Title 3 26 United States Code section 125, the Internal Revenue Code of 4 1986, as amended, and part II of chapter 78. 5 [-(e)] (d) At the discretion of the board, some or all of 6 the fund may be used as a reserve against or to pay the fund's future costs of providing health and other benefits plans 7 - 8 established under sections 87A-23 and 87A-37 and any other 9 benefits plans the board establishes for retired employees and 10 their beneficiaries. The board may create separate funds within 11 the fund for this purpose. Each separate fund shall be subject 12 to all of the provisions of this chapter." 13 SECTION 9. Section 87A-32, Hawaii Revised Statutes, is 14 amended to read as follows: "[+] §87A-32[+] State and county contributions[+] for 15 16 health benefits plan; active employees. (a) The State, through 17 the department of budget and finance, and the counties, through 18 their respective departments of finance, shall pay to the fund 19 [a monthly contribution-equal to the amount established-under 20 chapter 89C or specified in the applicable public sector 21 collective bargaining agreements, whichever is appropriate,] for 22 each of their respective employee-beneficiaries and employee-HB LRB 10-0518-1.doc 11

H.B. NO. 2854

12

1	beneficia	ries with dependent-beneficiaries[, which] <u>a monthly</u>
2	<u>contribut</u>	ion equal to the amount determined under subsection
3	(b), rega	rdless of the plan or plans in which the employee-
4	beneficia	ry is enrolled. The monthly contribution shall be used
5	toward the	e payment of the costs of $[a]$ the health benefits plan
6	<u>or plans</u> ;	provided that:
7	[(1)	The monthly contribution shall be a specified dollar
8		amount;
9	(2)]	(1) · The monthly contribution shall not exceed the
10		actual cost of [a] <u>the</u> health benefits plan <u>or plans</u>
11		in which the employee-beneficiary is enrolled;
12	[(3])	(2) If both husband and wife are employee-
13		beneficiaries, and they select a two-party or family
14		plan, the total monthly contribution for them by the
15		State or the county shall not exceed [the monthly
16		contribution for a family plan;] twice the maximum
17		contribution by the State or county for one employee-
18		beneficiary; and
19	[(4)]	(3) If the State or any of the counties establish
20		cafeteria plans in accordance with Title 26, United
21		States Code section 125, the Internal Revenue Code of
22		1986, as amended, and part II of chapter 78, the
	HB LRB 10-	-0518-1.doc

.

Page 13

1	monthly contribution for those employee-beneficiaries
2	who participate in a cafeteria plan shall be made
3	through the cafeteria plan, and the payments made by
4	the State or counties shall include their respective
5	contributions to the fund and their employee-
6	beneficiary's share of the cost of the employee-
7	beneficiary's health benefits plan.
8	(b) [The State, through the department of budget and
9	finance, and the counties, through their respective departments
10	of finance, shall pay to the fund a monthly contribution equal
11	to-the amount established-under chapter 89C or specified in the
12	applicable public-sector collective bargaining agreement,
13	whichever-is applicable, for each of their respective employees,
14	to be used toward the payment of group life insurance benefits
15	for each employee.] For fiscal year 2011-2012, and fiscal year
16	2012-2013, the monthly contribution for each employee-
17	beneficiary or employee-beneficiary with dependent-beneficiary
18	shall be \$225 for the health benefits plan or plans in which the
19	employee-beneficiary is enrolled.
20	For each subsequent fiscal year, the monthly contribution
21	for a health benefits plan, dental plan, and vision plan shall
22	be adjusted on each July 1 by the percentage change on the
	HB LRB 10-0518-1.doc

.

H.B. NO. 2854

previous January 1 of the least costly medicare part B premium
rate, as calculated under section 87A-33(d)."
SECTION 10. Section 89-2, Hawaii Revised Statutes, is
amended as follows:

5 1. By amending the definition of "collective bargaining"6 to read:

""Collective bargaining" means the performance of the 7 8 mutual obligations of the public employer and an exclusive 9 representative to meet at reasonable times, to confer and 10 negotiate in good faith, and to execute a written agreement with 11 respect to wages, hours, [amounts of contributions by the State 12 and counties to the Hawaii public employees health fund,] and other terms and conditions of employment, except that by any 13 14 such obligation neither party shall be compelled to agree to a 15 proposal, or be required to make a concession. For the purposes 16 of this definition, "wages" includes the number of incremental 17 and longevity steps, the number of pay ranges, and the movement 18 between steps within the pay range and between the pay ranges on 19 a pay schedule under a collective bargaining agreement." 20 2. By amending the definition of "employee organization" 21 to read:

14

1	""Employee organization" means any organization of any kind		
2	in which public employees participate and which exists for the		
3	primary purpose of dealing with public employers concerning		
4	grievances, labor disputes, wages, hours, [amounts of		
5	contributions by the State and counties to the Hawaii public		
6	employees health fund,] and other terms and conditions of		
7	employment of public employees."		
8	SECTION 11. Section 89-9, Hawaii Revised Statutes, is		
9	amended to read as follows:		
10	"\$89-9 Scope of negotiations; consultation. (a) The		
11	employer and the exclusive representative shall meet at		
12	reasonable times, including meetings sufficiently in advance of		
13	the February 1 impasse date under section 89-11, and shall		
14	negotiate in good faith with respect to wages, hours, [the		
15	amounts of contributions by the State and respective counties to		
16	the Hawaii employer-union health benefits trust fund to the		
17	extent allowed in subsection $(e)_{r}$] and other terms and		
18	conditions of employment [which] that are subject to collective		
19	bargaining and [which] that are to be embodied in a written		
20	agreement as specified in section 89-10, but [such] <u>the</u>		
21	obligation does not compel either party to agree to a proposal		
22	or make a concession[; provided that the parties may not		
	HB LRB 10-0518-1.doc 35		

H.B. NO. 2854

16

1 negotiate with respect to cost items as defined by section 89-2
2 for the biennium 1999 to 2001, and the cost items of employees
3 in bargaining units under section 89-6 in effect on June 30,
4 1999, shall remain in effect until July 1, 2001].

(b) The employer or the exclusive representative desiring
to initiate negotiations shall notify the other party in
writing, setting forth the time and place of the meeting desired
and the nature of the business to be discussed, sufficiently in
advance of the meeting.

(c) Except as otherwise provided in this chapter, all 10 11 matters affecting employee relations, including those that are, 12 or may be, the subject of a rule adopted by the employer or any 13 director, shall be subject to consultation with the exclusive representatives of the employees concerned. The employer shall 14 make every reasonable effort to consult with exclusive 15 representatives and consider their input, along with the input 16 17 of other affected parties, prior to effecting changes in any 18 major policy affecting employee relations.

19 (d) Excluded from the subjects of negotiations are matters
20 of classification, reclassification, benefits of [but not] and
21 contributions to the Hawaii employer-union health benefits trust
22 fund[7]; recruitment[7]; examination[7]; initial pricing[7]; and
HB LRB 10-0518-1.doc

1	retiremen	t benefits except as provided in section 88-8(h). The	
2	employer	and the exclusive representative shall not agree to any	
3	proposal	[which] that would be inconsistent with the merit	
4	principle	or the principle of equal pay for equal work pursuant	
5	to sectio	n 76–1 or [which] <u>that</u> would interfere with the rights	
6	and oblig	ations of a public employer to:	
7	(1)	Direct employees;	
8	(2)	Determine qualifications, standards for work, and the	
9		nature and contents of examinations;	
10	(3)	Hire, promote, transfer, assign, and retain employees	
11		in positions;	
12	(4)	Suspend, demote, discharge, or take other disciplinary	
13		action against employees for proper cause;	
14	. (5)	Relieve an employee from duties because of lack of	
15		work or other legitimate reason;	
16	(6)	Maintain efficiency and productivity, including	
17		maximizing the use of advanced technology, in	
18		government operations;	
19	(7)	Determine methods, means, and personnel by which the	
20		employer's operations are to be conducted; and	
21	(8)	Take such actions as may be necessary to carry out the	
22		missions of the employer in cases of emergencies.	
	HB LRB 10-0518-1.doc		

1	This subsection shall not be used to invalidate provisions
2	of collective bargaining agreements in effect on and after June
3	30, 2007, and shall not preclude negotiations over the
4	procedures and criteria on promotions, transfers, assignments,
5	demotions, layoffs, suspensions, terminations, discharges, or
6	other disciplinary actions as a permissive subject of bargaining
7	during collective bargaining negotiations or negotiations over a
8	memorandum of agreement, memorandum of understanding, or other
9	supplemental agreement.
10	Violations of the procedures and criteria so negotiated may
11	be subject to the grievance procedure in the collective
12	bargaining agreement.
13	[(c) Negotiations relating to contributions to the Hawaii
14	employer-union health benefits trust fund shall be for the
15	purpose of agreeing upon the amounts which the State and
16	counties-shall contribute-under section 87A-4, toward the
17	payment of the costs for a health benefits plan, as defined in
18	section 87A-1 and group life insurance benefits, and the parties
19	shall not be bound by the amounts contributed under prior
20	agreements; provided that section 89-11 for the resolution of
21	disputes by way of arbitration shall not be available to resolve
22	impasses or disputes relating to the amounts the State and
	HB LRB 10-0518-1.doc

H.B. NO. 2854

19

1	counties	shall contribute to the Hawaii employer-union health
2	benefits-	trust-fund.
3	(1)]	(e) The repricing of classes within an appropriate
4	bargainin	g unit may be negotiated as follows:
5	(1)	At the request of the exclusive representative and at
6		times allowed under the collective bargaining
7		agreement, the employer shall negotiate the repricing
8		of classes within the bargaining unit. The negotiated
9	,	repricing actions that constitute cost items shall be
10		subject to the requirements in section 89-10; and
11	(2)	If repricing has not been negotiated under paragraph
12		(1), the employer of each jurisdiction shall ensure
13		establishment of procedures to periodically review, at
14		least once in five years, unless otherwise agreed to
15		by the parties, the repricing of classes within the
16		bargaining unit. The repricing of classes based on
17		the results of the periodic review shall be at the
18		discretion of the employer. Any appropriations
19		required to implement the repricing actions that are
20		made at the employer's discretion shall not be
21		construed as cost items."

	,
1	SECTION 12. Section 89-11, Hawaii Revised Statutes, is
2	amended by amending subsection (g) to read as follows:
3	"(g) The decision of the arbitration panel shall be final
4	and binding upon the parties on all provisions submitted to the
5	arbitration panel. [If the parties have reached agreement with
6	respect to the amounts of contributions by the State and
7	counties to the Hawaii employer-union health benefits trust-fund
8	by the tenth working day after the arbitration panel issues its
9	decision, the final and binding agreement of the parties on all
10	provisions shall consist of the panel's decision and the amounts
11	of contributions agreed to by the parties. If the parties have
12	not reached agreement with respect to the amounts of
13	contributions by the State and counties to the Hawaii employer-
14	union health benefits trust fund by the close of business on the
15	tenth working day after the arbitration panel issues its
16	decision, the parties shall have five days to submit their
17	respective recommendations for such contributions to the
18	legislature, if it is in session, and if the legislature is not
19	in session, the parties shall submit their respective
20	recommendations for such-contributions to the legislature during
21	the next session of the legislature. In such event, the final
22	and binding agreement of the parties on all provisions shall

H.B. NO. 2854

21

.

1	consist of the panel's decision and the amounts of contributions
2	established by the legislature by enactment, after the
3	legislature has considered the recommendations for such
4	contributions by the parties. It is strictly understood that no
5	member of a bargaining unit subject to this subsection shall be
6	allowed to participate in a strike on the issue of the amounts
7	of contributions by the State and counties to the Hawaii
8	employer-union-health benefits-trust fund.] The parties shall
9	take whatever action is necessary to carry out and effectuate
10	the final and binding agreement. The parties [may], at any time
11	and by mutual agreement, may amend or modify the panel's
12	decision.
12 13	Agreements reached pursuant to the decision of an
	· · ·
13	Agreements reached pursuant to the decision of an
13 14	Agreements reached pursuant to the decision of an arbitration panel [and the amounts of contributions by the State
13 14 15	Agreements reached pursuant to the decision of an arbitration panel [and the amounts of contributions by the State and counties to the Hawaii employer-union-health benefits trust
13 14 15 16	Agreements reached pursuant to the decision of an arbitration panel [and the amounts of contributions by the State and counties to the Hawaii employer-union health benefits trust fund, as provided herein,] shall not be subject to ratification
13 14 15 16 17	Agreements reached pursuant to the decision of an arbitration panel [and the amounts of contributions by the State and counties to the Hawaii employer-union health benefits trust fund, as provided herein,] shall not be subject to ratification by the employees concerned. All items requiring any moneys for
13 14 15 16 17 18	Agreements reached pursuant to the decision of an arbitration panel [and the amounts of contributions by the State and counties to the Hawaii employer-union health benefits trust fund, as provided herein,] shall not be subject to ratification by the employees concerned. All items requiring any moneys for implementation shall be subject to appropriations by the
13 14 15 16 17 18 19	Agreements reached pursuant to the decision of an arbitration panel [and the amounts of contributions by the State and counties to the Hawaii employer-union health benefits trust fund, as provided herein,] shall not be subject to ratification by the employees concerned. All items requiring any moneys for implementation shall be subject to appropriations by the appropriate legislative bodies and the employer shall submit all

1	SECTION 13. Section 89C-1.5, Hawaii Revised Statutes, is
2	amended by amending the definition of "adjustment" to read as
3	follows:
4	""Adjustment" means a change in wages, hours, benefits, or
5	other term and condition of employment. It does not include a
6	change of an employer's contributions to the employer-union
7	health benefits trust fund for the health benefits plan of an
8	employee, as set under section 87A-32."
9	SECTION 14. Section 87A-17, Hawaii Revised Statutes, is
10	repealed.
11	[" [§87A-17]—Group life insurance benefits or group life
12	insurance-program. The board-may provide-benefits under a-group
13	life insurance benefits program-or group life insurance program
14	to employees."]
15	SECTION 15. Section 87A-37, Hawaii Revised Statutes, is
16	repealed.
17	[" [§87A-37]— Group life_insurance_benefits-plans_for
18	retired employees; contributions. (a) The State, through the
19	department of budget and finance, and the counties, through
20	their respective-departments of finance, shall-pay to the fund-a
21	[base] monthly contribution [as set forth in subsection (b)] for
22	each retired employee enrolled in the fund's group life
	HB LRB 10-0518-1.doc 22

23

1	insurance benefits plan under section 87A-34, 87A-35, and 87A-
2	36.
3	(b) Effective July 1, 2003, there is established a base
4	monthly contribution of \$4.16 for each retired employee enrolled
5	in a group life insurance plan; provided that the monthly
6	contribution shall not exceed the actual cost of the group life
7	insurance benefits plan. The base composite monthly
8	contribution shall be adjusted annually beginning July 1, 2004.
9	The adjusted base composite monthly contribution for each new
10	plan year shall be calculated by increasing or decreasing the
11	base composite monthly contribution in effect through the end of
12	the previous plan year by the percentage increase or decrease in
13	the medicare part B premium rate for those years. The
14	percentage-shall be calculated by dividing the medicare part B
15	premium-rate in-effect at the beginning of the new plan-year by
16	the rate in effect through the end of the previous plan year.
17	As-used in this subsection, "medicare part B premium rate"
18	means the rate published in the Federal Register each year on
19	November 1-or on the business day closest to November 1-of each
20	year after the medicare part B premium rate has been established
21	by the Secretary of Health and Human Services and approved by
22	the United States Congress."]

H.B. NO. 2854

Z4

1	SECTION 16. This Act does not affect rights and duties
2	that matured, penalties that were incurred, and proceedings that
3	were begun, before its effective date.
4	SECTION 17. Statutory material to be repealed is bracketed
5	and stricken. New statutory material is underscored.
6	SECTION 18. This Act shall take effect on July 1, 2011.
7	INTRODUCED BY: Colvid 1. Day

JAN 2 7 2010



25

Report Title:

Hawaii Employer-Union Health Benefits Trust Fund; Administrative Amendments

Description:

Makes public employer contributions to the employer-union health benefits trust fund non-negotiable under collective bargaining. Establishes a single flat dollar amount as the public employer's contribution the health benefit plan or plans of each public employee. Repeals group life insurance benefits. Makes various other amendments, including: (1) requiring one of the employer trustees to represent the county employers; (2) allowing a trustee to hold over after the end of the trustee's term until the earlier of: the date the trustee's successor is appointed or the 180^{th} day following the end of the trustee's term; (3) reducing some of the administrative authority of the director of finance over the trust fund; and (4) adding certain duties for the board. Takes effect on 7/1/2011.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

