

S.B. NO. 2762

JAN 24 2018

A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
EXEMPTION FROM THE INSURANCE CODE.

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

SECTION 1. The legislature finds that under current law, the Hawaii employer-union health benefits trust fund (EUTF) is unable to conduct business in the manner most cost-efficient to both public employers and employees. A revision to the EUTF's enabling legislation is necessary to clarify that the EUTF board of trustees has final authority to design the benefit plans offered by the EUTF and that health insurance providers who may contract with the EUTF are exempt from all mandatory benefit requirements of the insurance code.

SECTION 2. Section 87A-16, Hawaii Revised Statutes, is amended to read as follows:

"~~[§] 87A-16~~ **Health benefits plan; carriers.** (a) The board shall establish the health benefits plan or plans, which shall be exempt from the ~~[minimum group]~~ mandatory benefit requirements of [chapter 431] title 24 unless otherwise specified. The board may contract with insurers, as defined in section 431:1-202, mutual benefit societies, as defined in

S.B. NO. 2762

1 section 432:1-104, and carriers, as defined in sections 432D-1
2 and 432G-1, each of which shall be exempt from the mandatory
3 benefits as required by chapters 431, 432, 432D, and 432G.

4 (b) The board may contract for health benefits plans or
5 provide health benefits through a noninsured schedule of
6 benefits."

7 SECTION 3. Section 87A-19, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) The board shall establish the medical, hospital, or
10 surgical benefits plan or plans, which shall be exempt from the
11 ~~[minimum-group]~~ mandatory benefit requirements of ~~[article 10A~~
12 ~~of chapter 431]~~ title 24 unless otherwise specified. The board
13 may contract with insurers, as defined in section 431:1-202,
14 mutual benefit societies, as defined in section 432:1-104, and
15 carriers, as defined in section 432D-1 and 432G-1, each of which
16 shall be exempt from the mandatory benefits as required by
17 chapters 431, 432, 432D, and 432G. The medical, hospital, or
18 surgical benefits plan or plans shall provide, pay for, arrange
19 for, or reimburse the cost of medical, hospital, or surgical
20 services, and may include prescribed hospital in-patient and
21 out-patient service and medical benefits."

S.B. NO. 2762

1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

4

5

INTRODUCED BY: 

6

BY REQUEST

7

S.B. NO. 2762

Report Title:

Hawaii Employer-Union Health Benefits Trust Fund (EUTF);
Insurance

Description:

Expands the exemption of the EUTF from the insurance code.

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

JUSTIFICATION SHEET

SB. NO. 2762

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII
EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
EXEMPTION FROM THE INSURANCE CODE.

PURPOSE: To clarify that the Hawaii Employer-Union
Health Benefits Trust Fund (EUTF) board of
trustees has final authority to design the
benefit plans offered by the EUTF and that
health insurance providers who may contract
with the EUTF are exempt from all mandatory
benefit requirements of the insurance code.

MEANS: Amend sections 87A-16 and 87A-19, Hawaii
Revised Statutes (HRS).

JUSTIFICATION: Section 87A-15, Hawaii Revised Statutes,
sets forth the purpose of the EUTF,
"Administration of the fund. The board
shall administer and carry out the purpose
of the fund. Health and other benefit plans
shall be provided at a cost affordable to
both the public employers and public
employees." Subjecting the EUTF to the
insurance code may make it difficult for the
EUTF to meet its mandated purpose.

Impact on the public: None.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: None.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.