

ACT 304

S.B. NO. 426

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 as follows:

"(8) "Health benefits plan" means (A) a group insurance contract or medical, hospital, prescribed drugs, vision, or dental service agreement in which a carrier agrees to provide, pay for, arrange for, or reimburse the cost of health, 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 87-22, Hawaii Revised Statutes, is amended to read as follows:

“§87-22 Determine health benefits plan; contract with carriers. The board of trustees shall determine the health benefits [plans,] plan, which shall be excepted from the minimum group requirements of chapter 431. The health benefits plan shall provide, pay for, arrange for, or reimburse the cost of hospitalization, surgery, medical, dental treatment, and care, and may include prescribed drugs, medicines, prosthetic appliances, hospital in-patient and out-patient service benefits [and], vision treatment and care, medical, and dental indemnity benefits.

The board may contract for the following health benefits plans; provided that benefits provided under any respective plan shall be equally available to all employee-beneficiaries and dependent-beneficiaries selecting the plan regardless of age, as provided for below:

- (1) A statewide indemnity benefit plan under which a carrier agrees to pay certain sums of money not in excess of the actual expenses incurred for health services.
- (2) A statewide service benefit plan under which payment is made by a carrier under contracts with physicians, hospitals, or other providers of health services, or, under certain conditions, payment is made by a carrier to an employee-beneficiary.
- (3) Health maintenance organization plans which provide or arrange health services for members on a prepaid basis, with professional services provided by physicians practicing individually or as a group in a common center or centers.
- (4) A plan to offer dental benefits [to those children of employee-beneficiaries who have not attained the age of nineteen] through either [an] a statewide indemnity[,] plan, a statewide service benefit plan, or [a] health maintenance organization [plan.] plans.
- (5) A plan to offer prescription drug benefits through either a statewide indemnity plan, a statewide service benefit plan, health maintenance organization plans, or a combination thereof.
- (6) A plan to offer vision care benefits through either a statewide indemnity plan, a statewide service benefit plan, health maintenance organization plans, or a combination thereof.
- [(5)] (7) A noninsured schedule of benefits similar to any of the schedule of benefits set forth in health benefit plans authorized in paragraphs (1) [through (4) of this section.] to (6).”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 12, 1985.)