

ACT 136

H.B. NO. 1687

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 87-24, Hawaii Revised Statutes, is amended to read as follows:

**“§87-24 Selection of a carrier or third-party administrator for a health benefits, group life insurance, or long-term care benefits plan.** [Before selecting] Notwithstanding chapter 103D, selection of a carrier or third-party administrator for any benefit plan[, the board of trustees] shall[:] be based on specifications and considerations determined by the board of trustees. In that process, the board of trustees may:

- (1) Prepare specifications;
- (2) Submit specifications for [sealed] proposals by interested applicants;
- (3) Evaluate proposals; [and]
- (4) Give prime consideration to the applicant offering the lowest net cost and high quality of services[.]; and
- (5) Negotiate or use other competitive procedures, as the board of trustees deems appropriate in its discretion, to select a carrier or a third-party administrator.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved June 9, 1995.)