

ACT 276

S.B. NO. 727

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 87-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The fund shall be used for the purpose of providing employee-beneficiaries and dependent-beneficiaries with a health benefits plan and a long-term care benefits plan; provided that the fund, [with the exception of] including rate credits or reimbursements from any carrier or self-insured plan or any earning or interest derived therefrom, may be used to stabilize health benefits plan or long-term care benefits plan rates and with approval of the legislature through appropriation of funds for other expenses necessary to effectuate these purposes. Notwithstanding any law to the contrary, any rate credit or reimbursement from any carrier or self-insured plan in excess of funds used to stabilize health benefits plan or long-term

care benefits plan costs, and for other expenses authorized by the legislature or any earning or interest derived therefrom shall be returned to the State or the county for deposit into the appropriate general[,] fund if the moneys are returned from:

- (1) A plan that provides health benefits to retirees or the surviving spouses of deceased retirees or employees killed in the performance of their duty whose coverage is financed in whole or in part by the State or by the county; or
- (2) A plan that provides health benefits to employees; provided that the amount returned to the general fund shall be only that portion financed by the State or by the county on behalf of the employee.”

SECTION 2. Section 87-22.3, Hawaii Revised Statutes, is amended to read as follows:

“~~[[~~**§87-22.3**~~]]~~ **Determination of health benefits plans.** Pursuant to section 87-4, the board of trustees shall provide health benefits to employee-beneficiaries in the following manner:

- (1) For those employee-beneficiaries who are not participating in a health benefits plan of an employee organization (hereafter “nonparticipating employee-beneficiaries”), the board of trustees shall establish health benefits plans and the requirements for eligibility under the health benefits plans. Any rate credit or reimbursement from any carrier [of any earnings or interest] derived from [the] employee-beneficiary rate contributions to health benefits plans of nonparticipating employee-beneficiaries or interest derived therefrom [shall] may be used to improve the respective health benefits plans of nonparticipating employee-beneficiaries or to reduce the employee-beneficiary’s respective share of monthly contributions to a health plan[.]; or
- (2) For employee-beneficiaries who participate in the health benefits plan of an employee organization, the board of trustees shall pay a monthly contribution for each employee-beneficiary, in the amount provided in section 87-4(a), or the actual monthly cost of the coverage, whichever is less, towards the purchase of health benefits under the health benefits plan of an employee organization.”

SECTION 3. Section 87-22.5, Hawaii Revised Statutes, is amended to read as follows:

“**§87-22.5 Determination of dental plan benefits.** Pursuant to section 87-4, the board of trustees shall provide dental plan benefits to the children of employee-beneficiaries who have not attained the age of nineteen in the following manner:

- (1) For those children of employee-beneficiaries who are not participating in a dental program of an employee organization (hereafter called “non-participating employee-beneficiaries”), the board shall determine a dental plan and eligibility requirements for such benefits based upon a statutory monthly contribution per enrolled child[. Any rate credit or reimbursement from any carrier of any earnings or interest derived from the dental plan of non-participating [employee-beneficiaries] shall be used to improve the dental plan benefits of non-participating [employee-beneficiaries].];
- (2) For those children of employee-beneficiaries who participate in the dental program of an employee organization, the board shall allot the statutory monthly contribution per enrolled child or the actual monthly cost of the child’s coverage, whichever is less, towards the purchase of

dental plan benefits under the dental program of an employee organization; provided that no enrolled child shall have more than one allotment a month[.]; or

- (3) Paragraphs (1) and (2) notwithstanding, an employee-beneficiary shall be required to enroll all of the employee-beneficiary's children who are under the age of nineteen in the children's dental plan for non-participating employee-beneficiaries or the dental program of an employee organization."

SECTION 4. Section 87-23, Hawaii Revised Statutes, is amended to read as follows:

“§87-23 Determination of benefits under the group life benefit program or group life insurance program. Pursuant to section 87-4, the board of trustees shall provide benefits under a group life benefit program or group life insurance program to employees in the following manner:

- (1) For those employees who are not participating in a group life benefit program or group life insurance program of an employee organization (hereafter “nonparticipating employees”), the board shall determine a group life insurance benefit plan and eligibility requirements for such benefits based upon the amount to be contributed per employee under section 87-4(c)[. Any rate credit or reimbursement from any carrier of any earnings or interest derived from the group life insurance plan of nonparticipating employees shall be used to improve the group life insurance benefits of nonparticipating employees.];
- (2) For those employees who participate in a group life benefit program or group life insurance program of an employee organization, the board shall pay a monthly contribution for each employee, in the amount determined under section 87-4(c), or the actual monthly cost of the coverage, whichever is less, towards the purchase of benefits under the group life benefit program or group life insurance program of an employee organization[.]; or
- (3) Paragraphs (1) and (2) notwithstanding, an employee who is participating in a group life benefit program or group life insurance program of an employee organization may continue such plan and pay all of the premiums required while enrolled under paragraph (1); provided that no employee shall have more than one contribution from the board per month.”

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 1997.

(Approved June 21, 1997.)

Note

1. So in original.