

ACT 126

S.B. NO. 1102

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. The purpose of this Act is to transfer the responsibility for funding the annual audit of the public employees health fund from the comptroller to the health fund.

SECTION 2. Section 87-28, Hawaii Revised Statutes, is amended to read as follows:

**“§87-28 Other powers.** In addition to the power to administer the fund, the board of trustees may:

- (1) Collect, receive, deposit, withdraw, and invest money [in] on behalf of the fund;
- (2) Appoint an administrator and staff necessary to carry out this chapter, subject to the limitations of available appropriations and chapters 76 and 77 and section 78-1;
- (3) Make payments of periodic charges and pay for reasonable expenses incurred to [carry]:
  - (A) Perform financial audits of the fund and claims audits of its insurance carriers; or
  - (B) Carry out the purposes of the fund;
 or
- (4) Require any department, agency, or employee of the State and county to furnish information to the board to carry out the purposes of this chapter.”

SECTION 3. Section 87-29, Hawaii Revised Statutes, is amended to read as follows:

**“§87-29 Other duties.** The board of trustees shall:

- (1) Authorize the director of finance to make periodic charges and payments from the fund only upon vouchers countersigned by the chairperson and such other person as may be designated by the board of trustees;
- (2) Maintain accurate records and accounts of all financial transactions of the fund which shall be audited annually and summarized in an annual report by the [state] comptroller[;]. The audit costs shall be the responsibility of the fund and shall be paid from the employers’ portion of the fund’s reserves;
- (3) Maintain suitable and adequate records to carry out the purpose of the fund; and
- (4) Procure a fidelity bond of a reasonable amount for the chairperson and any other person authorized to handle money of the fund.”

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved June 25, 1999.)