
A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 SECTION 1. Act 245, Session Laws of Hawaii 2005, as
2 amended by Act 294, Session Laws of Hawaii 2007, is amended by
3 amending section 2 to read as follows:

4 "SECTION 2. Act 245, Session Laws of Hawaii 2005, is
5 amended by amending section 8 to read as follows:

6 SECTION 8. This Act shall take effect upon its approval,
7 for the purpose of establishing a voluntary employees'
8 beneficiary association trust pilot program in March, 2006 and
9 shall be repealed on July 1, [~~2009~~] 2010; provided that
10 sections 89-2, 89-3, 89-6, and 89-9, Hawaii Revised Statutes,
11 are reenacted in the form in which they read on the day before
12 the effective date of this Act."

13 SECTION 2. (a) The board of trustees of the Hawaii
14 employer-union health benefits trust fund shall conduct a
15 certified independent financial audit of the Hawaii employer-
16 union health benefits trust fund, pursuant to section 87A-24(7),
17 Hawaii Revised Statutes, to cover the Hawaii State Teachers



1 Association, retirees, employees, and employee-beneficiaries who
2 have remained with the Hawaii employer-union health benefits
3 trust fund whether in a bargaining unit or excluded from one,
4 including the State and counties as the employer. The
5 independent auditor shall consult with the state auditor for
6 purposes of the audit to obtain the necessary information for
7 purposes of subsection (b). The audit shall be completed no
8 later than twenty days prior to the convening of the regular
9 session of 2010. The findings and recommendations, including but
10 not limited to methodology and actuarial assumptions, shall be
11 presented to the State auditor for review.

12 (b) Based upon the independent financial audit under
13 subsection (a), the state auditor shall make findings and
14 recommendations concerning:

- 15 (1) The benefit cost for each benefit plan, including
16 medical, drug, dental, and vision coverage; and
17 (2) Administrative cost for the Hawaii employer-union
18 health benefits trust fund for the plan years July 1,
19 2006 to June 30, 2007, July 1, 2007 to June 30, 2008,
20 and July 1, 2008 to June 30, 2009.

21 (c) The audit shall include an actuarial certification, to
22 be made by the independent auditor contracted under subsection



1 (a), of the benefit cost for each benefit plan, including
2 medical, drug, dental, and vision, and administrative costs.

3 (d) Based upon the independent financial audit conducted
4 under subsection (a), the state auditor shall make separate
5 findings and recommendations for the Hawaii State Teachers
6 Association voluntary employees' beneficiary association trust
7 for the plan years July 1, 2006 to June 30, 2007, July 1, 2007 to
8 June 30, 2008, and July 1, 2008 to June 30, 2009, in the same
9 manner as set forth under subsections (a), (b), and (c).

10 (e) The state auditor shall submit a report of findings and
11 recommendations to the legislature no later than twenty days
12 prior to the convening of the regular session of 2010.

13 SECTION 3. The board of trustees of the Hawaii
14 employer-union health benefits trust fund and the board of
15 trustees of the Hawaii State Teachers Association voluntary
16 employees' beneficiary association trust shall take all necessary
17 and appropriate actions to assist the state auditor for purposes
18 of this Act.

19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

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



S.B. NO. 2262
S.D. 1
H.D. 2
C.D. 2

Report Title:

VEBA Trusts; Sunset Extension; State Auditor Study

Description:

Extends the sunset date to July 1, 2010 for the voluntary employees' beneficiary association trust pilot program established pursuant to Act 245, Session Laws of Hawaii 2005, as amended. Requires the state auditor to conduct an analysis of the cost and financial impact of Act 245, Session Laws of Hawaii 2005, and to report to the legislature by December 6, 2010.
(CD2

