



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

LATE TESTIMONY

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The Twenty-Seventh Legislature, State of Hawaii
House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii Government Employees Association
February 5, 2013

H.B. 546 – RELATING TO THE HAWAII
EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes portions of H.B. 546, which prohibits the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) from offering medical benefit plans that pay or reimburse providers under a fee-for-service model.

We understand and wish to actively participate in addressing the growing concerns over the EUTF's escalating costs to both the Employer and the Employees. While we can support the bill's intent to have the Board assess the benefits and disadvantages of global budget payment, medical home, health maintenance organization and any additional alternative payment models, we do not believe it in the best interests of the Board, its beneficiaries or the Employer, to statutorily exclude all fee-for-service models. We respectfully raise particular concern with Section 3 of H.B. 546, which statutorily obligates the Board to change from a fee-for-service model to exclusively offer an alternative payment model no later than 2015. This exclusionary requirement does not lend for flexibility in future plan design, as the fee-for-service model may provide for the best service. It would behoove all of the stakeholders to support a pros and cons analysis of the various options, review the results, and reassess a course of action.

Thank you for the opportunity to provide testimony in opposition to portions of H.B. 546.

Respectfully submitted,

Randy Perreira
Executive Director