



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

GOV. MSG. NO. 558

April 27, 2006

The Honorable Robert Bunda, President  
and Members of the Senate  
Twenty-Third State Legislature  
State Capitol, Room 003  
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on April 27, 2006, the following bill was signed into law:

HB2309

A BILL FOR AN ACT RELATING TO  
THE HAWAII EMPLOYER-UNION HEALTH  
BENEFITS TRUST FUND.  
(ACT 39)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

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## A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST  
FUND.

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

1 SECTION 1. Section 87A-23, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§87A-23 Health benefits plan supplemental to medicare.

4 The board shall establish a health benefits plan, which takes  
5 into account benefits available to an employee-beneficiary and  
6 spouse under medicare, subject to the following conditions:

7 (1) There shall be no duplication of benefits payable  
8 under medicare. The plan under this section, which  
9 shall be secondary to medicare, when combined with  
10 medicare and any other plan to which the health  
11 benefits plan is subordinate under the National  
12 Association of Insurance Commissioners' coordination  
13 of benefit rules, shall provide benefits that  
14 approximate those provided to a similarly situated  
15 beneficiary not eligible for medicare;

16 (2) The State, through the department of budget and  
17 finance, and the counties, through their respective  
18 departments of finance, shall pay to the fund a  
19 contribution equal to an amount not less than the

1 medicare part B premium, for ~~[voluntary medical~~  
2 ~~insurance coverage under medicare for]~~ each of the  
3 following who are enrolled in the medicare part B  
4 medical insurance plan: (A) an employee-beneficiary  
5 who is a retired employee, (B) an employee-  
6 beneficiary's spouse while the employee-beneficiary is  
7 living, and (C) an employee-beneficiary's spouse,  
8 after the death of the employee-beneficiary, if the  
9 spouse qualifies as an employee-beneficiary. For  
10 purposes of this section, a "retired employee" means  
11 retired members of the employees' retirement system;  
12 county pension system; or a police, firefighters, or  
13 bandsmen pension system of the State or a county as  
14 set forth in chapter 88 [~~provided that if~~]. If the  
15 amount reimbursed by the fund [~~to the retiree~~] under  
16 this section is less than the actual cost of the  
17 medicare part B medical insurance plan due to an  
18 increase in the medicare part B medical insurance plan  
19 rate, the fund shall reimburse [~~the retiree~~] each  
20 employee beneficiary and employee-beneficiary's spouse  
21 for the cost increase within thirty days of the rate  
22 change. [~~The contribution shall be made for each:~~  
23 (A) ~~Employee beneficiary who is a retired employee;~~

1 ~~(B) Employee beneficiary's spouse while the employee~~  
2 ~~beneficiary is living, and~~

3 ~~(C) The employee beneficiary's spouse, after the~~  
4 ~~death of the employee beneficiary, if the spouse~~  
5 ~~qualifies as an employee beneficiary,]~~

6 Each employee-beneficiary and employee-beneficiary's  
7 spouse who becomes entitled to reimbursement from the  
8 fund for medicare part B premiums after July 1, 2006,  
9 shall designate a financial institution account into  
10 which the fund shall be authorized to deposit  
11 reimbursements. This method of payment may be waived  
12 by the fund if another method is determined to be more  
13 appropriate;

14 (3) The benefits available under this plan, when combined  
15 with benefits available under medicare or any other  
16 coverage or plan to which this plan is subordinate  
17 under the National Association of Insurance  
18 Commissioners' coordination of benefit rules, shall  
19 approximate the benefits that would be provided to a  
20 similarly situated employee-beneficiary not eligible  
21 for medicare;

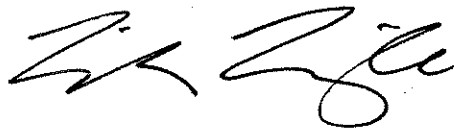
22 (4) All employee-beneficiaries or dependent-beneficiaries  
23 who are eligible to enroll in the medicare part B  
24 medical insurance plan shall enroll in that plan as a

1 condition of receiving contributions and participating  
2 in benefits plans under this chapter. This paragraph  
3 shall apply to retired employees, their spouses, and  
4 the surviving spouses of deceased retirees and  
5 employees killed in the performance of duty; and  
6 (5) The board shall determine which of the employee-  
7 beneficiaries and dependent-beneficiaries, who are not  
8 enrolled in the medicare part B medical insurance  
9 plan, may participate in the plans offered by the  
10 fund."

11 SECTION 2. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2006.  
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15  
16

APPROVED this 27 day of APR, 2006



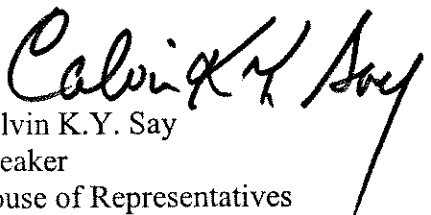
GOVERNOR OF THE STATE OF HAWAII


HB No. 2309

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: March 3, 2006  
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Third Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.


  
Calvin K.Y. Say  
Speaker  
House of Representatives


  
Patricia Mau-Shimizu  
Chief Clerk  
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: April 11, 2006  
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Third Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.

  
Robert Bunda  
President of the Senate

  
Paul Kawaguchi  
Clerk of the Senate