
A BILL FOR AN ACT

RELATING TO EMPLOYER-UNION HEALTH BENEFITS.

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

1 SECTION 1. The purpose of this Act is to assist in
2 reducing the State's projected expenditures in this time of dire
3 economic crisis.

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

6 "**§87A-23 Health benefits plan supplemental to medicare.**

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

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



1 (2) The State, through the department of budget and
2 finance, and the counties, through their respective
3 departments of finance, shall pay to the fund a
4 contribution equal to an amount not less than the
5 medicare part B premium, for each of the following who
6 are enrolled in the medicare part B medical insurance
7 plan: (A) an employee-beneficiary who is a retired
8 employee, (B) an employee-beneficiary's spouse while
9 the employee-beneficiary is living, and (C) an
10 employee-beneficiary's spouse, after the death of the
11 employee-beneficiary, if the spouse qualifies as an
12 employee-beneficiary. For purposes of this section, a
13 "retired employee" means a retired [members] member of
14 the employees' retirement system; county pension
15 system; or a police, firefighters, or bandsmen pension
16 system of the State or a county as set forth in
17 chapter 88[-]; provided that the member retired prior
18 to December 31, 2009. If the amount reimbursed by the
19 fund under this section is less than the actual cost
20 of the medicare part B medical insurance plan due to
21 an increase in the medicare part B medical insurance
22 plan rate, the fund shall reimburse each employee-



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

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

19 (4) All employee-beneficiaries or dependent-beneficiaries
20 who are eligible to enroll in the medicare part B
21 medical insurance plan shall enroll in that plan as a
22 condition of receiving contributions and participating



1 in benefits plans under this chapter. This paragraph
 2 shall apply to retired employees, their spouses, and
 3 the surviving spouses of deceased retirees and
 4 employees killed in the performance of duty; and

5 (5) The board shall determine which of the employee-
 6 beneficiaries and dependent-beneficiaries, who are not
 7 enrolled in the medicare part B medical insurance
 8 plan, may participate in the plans offered by the
 9 fund."

10 SECTION 3. Statutory material to be repealed is bracketed
 11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2009.

13

INTRODUCED BY: *Chwick H. Ay*
 JAN 28 2009

Report Title:

EUTF; Medicare Part B Premiums

Description:

Specifies that the requirement that the State and the counties reimburse retired employees for medicare part B premiums through the employer-union trust fund applies only to the employees who retire prior to 12/31/09.

