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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 (a) The board shall establish a health benefits plan, which  
5 takes into account benefits available to an employee-beneficiary  
6 and 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



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



1 who becomes entitled to reimbursement from the fund  
2 for medicare part B premiums after July 1, 2006, shall  
3 designate a financial institution account into which  
4 the fund shall be authorized to deposit  
5 reimbursements. This method of payment may be waived  
6 by the fund if another method is determined to be more  
7 appropriate;

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

16 (4) All employee-beneficiaries or dependent-beneficiaries  
17 who are eligible to enroll in the medicare part B  
18 medical insurance plan shall enroll in that plan as a  
19 condition of receiving contributions and participating  
20 in benefits plans under this chapter. This paragraph  
21 shall apply to retired employees, their spouses, and



1 the surviving spouses of deceased retirees and  
2 employees killed in the performance of duty; and  
3 (5) The board shall determine which of the  
4 employee-beneficiaries and dependent-beneficiaries,  
5 who are not enrolled in the medicare part B medical  
6 insurance plan, may participate in the plans offered  
7 by the fund.

8 (b) Subsection (a) (2) and (3) shall not apply to an  
9 employee-beneficiary hired after June 30, 2011, or the spouse of  
10 an employee-beneficiary hired after June 30, 2011."

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, 2011.



**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund; Medicare  
Part B Reimbursements

**Description:**

Eliminates Medicare Part B reimbursements for retired  
employee-beneficiaries and the spouses of employee-beneficiaries  
who are retired employees. Applies only to employee-  
beneficiaries hired after 6/30/11. (HD1)

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