

JAN 21 2011

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. The purpose of this Act is to set the actual
2 cost of the health benefits plan or plans as the limit on the
3 contributions paid by the State and counties for the health
4 benefits plans of retired employees.

5 SECTION 2. Section 87A-33, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§87A-33 State and county contributions; retired**
8 **employees.** (a) Notwithstanding any law to the contrary, this
9 section shall apply to state and county contributions to the
10 fund for:

11 (1) The dependent-beneficiary of an employee who is killed
12 in the performance of duty;

13 (2) A dependent-beneficiary, upon the death of the
14 employee-beneficiary, except as provided in section
15 87A-36;



- 1 (3) An employee-beneficiary who retired after June 30,
2 1984, due to a disability falling within sections 88-
3 79 and 88-285;
- 4 (4) An employee-beneficiary who retired before July 1,
5 1984;
- 6 (5) An employee-beneficiary who:
 - 7 (A) Was hired before July 1, 1996;
 - 8 (B) Retired after June 30, 1984; and
 - 9 (C) Who has ten years or more of credited service,
10 excluding sick leave;
- 11 (6) An employee-beneficiary who:
 - 12 (A) Was hired after June 30, 1996; and
 - 13 (B) Retired with twenty-five or more years of
14 credited service, excluding sick leave, except as
15 provided in section 87A-36; and
- 16 (7) Employees who retired prior to 1961 and their
17 dependent-beneficiaries.
- 18 (b) Effective July 1, 2003, there is established a base
19 monthly contribution for health benefit plans that the State,
20 through the department of budget and finance, and the counties,
21 through their respective departments of finance, shall pay to
22 the fund, up to the following:



- 1 (1) \$218 for each employee-beneficiary enrolled in
- 2 supplemental medicare self plans;
- 3 (2) \$671 for each employee-beneficiary enrolled in
- 4 supplemental medicare family plans;
- 5 (3) \$342 for each employee-beneficiary enrolled in non-
- 6 medicare self plans; and
- 7 (4) \$928 for each employee-beneficiary enrolled in non-
- 8 medicare family plans.

9 The monthly contribution by the State or county shall not
10 exceed the actual cost of the health benefits plan or plans. If
11 both husband and wife are employee-beneficiaries, the total
12 contribution by the State or county shall not exceed the monthly
13 contribution for a supplemental medicare family or non-medicare
14 family plan, as appropriate.

15 (c) Effective July 1, 2004, there is established a base
16 monthly contribution for health benefit plans that the State,
17 through the department of budget and finance, and the counties,
18 through their respective departments of finance, shall pay to
19 the fund, up to the following:

- 20 (1) \$254 for each employee-beneficiary enrolled in
- 21 supplemental medicare self plans;



- 1 (2) \$787 for each employee-beneficiary enrolled in
- 2 supplemental medicare family plans;
- 3 (3) \$412 for each employee-beneficiary enrolled in non-
- 4 medicare self plans; and
- 5 (4) \$1,089 for each employee-beneficiary enrolled in non-
- 6 medicare family plans.

7 The monthly contribution by the State or county shall not
8 exceed the actual cost of the health benefit plan or plans and
9 shall not be required to cover increased benefits above those
10 initially contracted for by the fund for plan year 2004-2005.
11 If both husband and wife are employee-beneficiaries, the total
12 contribution by the State or county shall not exceed the monthly
13 contribution for a supplemental medicare family or non-medicare
14 family plan, as appropriate.

15 (d) The base composite monthly contribution shall be
16 adjusted annually, beginning July 1, 2005[-] and ending on June
17 30, 2011. The adjusted base composite monthly contribution for
18 each new plan year (July 1 until June 30) until June 30, 2011,
19 shall be calculated by increasing or decreasing the base
20 composite monthly contribution in effect through the end of the
21 previous plan year by the percentage increase or decrease in the
22 medicare part B premium rate for those years, which percentage



1 shall be calculated by dividing the medicare part B premium rate
2 in effect at the beginning of the new plan year by the rate in
3 effect at the beginning of the previous plan year.

4 For the plan year beginning July 1, 2005, the adjusted base
5 monthly contribution shall be computed using the actual
6 contracted premium rate as of July 1, 2004, for medicare and
7 non-medicare, self and family health benefits plans with the
8 highest actual contracted premium rate as of July 1, 2004.

9 As used in this subsection, "medicare part B premium rate"
10 means the rate published in the Federal Register each year on
11 November 1 or on the business day closest to November 1 of each
12 year after the medicare part B premium rate has been established
13 by the Secretary of Health and Human Services and approved by
14 the United States Congress.

15 [~~(e)~~] If the board adopts a rate structure that provides
16 for other than self and family rates for the health benefit
17 plans, the base monthly contribution for the rate structure
18 adopted by the board shall be adjusted to provide the equivalent
19 underwriting cost as the base monthly contribution that is
20 provided for in this section.

21 (e) Effective July 1, 2011, the State, through the
22 department of budget and finance, and the several counties,



1 through their respective departments of finance, shall pay to
2 the fund a monthly contribution equal to the amount established
3 under chapter 89C or specified in the applicable public sector
4 collective bargaining agreement, whichever is appropriate, for
5 each of their respective employee-beneficiaries and employee
6 beneficiaries with dependent-beneficiaries, which shall be used
7 toward the payment of costs of a health benefits plan; provided
8 that the monthly contribution shall not exceed the actual cost
9 of a health benefits plan. If both the husband and wife are
10 employee-beneficiaries, the total contribution by the State or
11 county shall not exceed the monthly contribution for a
12 supplement medicare family or non-medicare family plan, as
13 appropriate."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2011.

17

INTRODUCED BY:

David V. Lye
BY REQUEST



Report Title:

EUTF

Description:

Requires the State and counties to pay a monthly contribution as established for employees excluded from collective bargaining or as specified in the applicable public sector bargaining agreement, but not to exceed the actual cost of the health benefits plan or plans for retired employees.

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