

STAND. COM. REP. NO. 472

Honolulu, Hawaii  
Feb 18, 2011

RE: H.B. No. 1041  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1041 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION  
HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose of this bill, as received by your Committee, is to eliminate Medicare Part B reimbursements, effective July 1, 2011, for employee-beneficiaries who are retired employees; employee-beneficiary spouses while the spouse's employee-beneficiary is living; and employee-beneficiary spouses, after the death of the employee-beneficiary, if the spouse qualifies as an employee-beneficiary.

For purposes of a public hearing on this bill, your Committee circulated a proposed H.D. 1 and notified the public that it would be accepting testimony on the proposed H.D. 1. The proposed H.D. 1 amends the original version of the bill that was received by your Committee, by deleting the contents of the original bill version, and providing instead for the elimination of Medicare Part B reimbursements for employee-beneficiaries and spouses of employee-beneficiaries hired after June 30, 2011.

Your Committee received testimony from organizations and individuals on the proposed H.D. 1 version of the bill, as follows:

HB1041 HD1 HSCR LAB HMS 2011-2429



- (1) The Governor and numerous concerned individuals testified in support of this bill;
- (2) The Hawaii State Teachers Association and two individuals testified in opposition to this measure; and
- (3) The City and County of Honolulu Department of Budget & Fiscal Services, University of Hawaii Professional Assembly, and several concerned individuals submitted comments.

Your Committee also received testimony from organizations and individuals on the original version of the bill, as follows:

- (1) The Department of Budget and Finance testified in support of this bill; and
- (2) Numerous concerned citizens opposed this measure.

Upon careful consideration, your Committee has amended the proposed H.D. 1 version of the bill by:

- (1) Including provisions whereby employee-beneficiaries will be entitled to receive up to 90 percent of Medicare Part B reimbursements, based on their year or years of credited service on June 30, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



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KARL RHOADS, Chair



