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



1 medicare part B premium" means the lowest of the
2 monthly medicare part B premium amount that is
3 annually established for persons in the lowest income
4 bracket or the monthly medicare part B premium amount
5 that is actually paid by the employee-beneficiary or
6 the employee-beneficiary's spouse. Each
7 employee-beneficiary and employee-beneficiary's spouse
8 who becomes entitled to reimbursement from the fund
9 for standard medicare part B premiums after July 1,
10 2006, shall designate a financial institution account
11 into which the fund shall be authorized to deposit
12 reimbursements. This method of payment may be waived
13 by the fund if another method is determined to be more
14 appropriate;

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



1 (4) All employee-beneficiaries or dependent-beneficiaries
2 who are eligible to enroll in the medicare part B
3 medical insurance plan shall enroll in that plan as a
4 condition of receiving contributions and participating
5 in benefits plans under this chapter. This paragraph
6 shall apply to retired employees, their spouses, and
7 the surviving spouses of deceased retirees and
8 employees killed in the performance of duty; and

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

14 (b) Subsection (a) (2) and (3) shall not apply to an
15 employee-beneficiary hired after June 30, 2012, or the spouse of
16 an employee-beneficiary hired after June 30, 2012.

17 (c) For purposes of this section, "retired employee" means
18 a retired member of the employees' retirement system; county
19 pension system; or a police, firefighters, or bandsmen pension
20 system of the State or a county as set forth in chapter 88."

21 SECTION 2. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.

H.B. NO. 1804

1 SECTION 3. This Act shall take effect on July 1, 2012.

2

INTRODUCED BY: Calvin H. Boy

JAN 13 2012



H.B. NO. 1804

Report Title:

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

Description:

Eliminates medicare part B reimbursements for employee-beneficiaries or spouses of employee-beneficiaries who are hired after 6/30/12. Clarifies the amount to be paid to the EUTF by public employers for the medicare part B premiums of certain beneficiaries. Effective 7/1/12.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

