

STAND. COM. REP. NO. 3280

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2492
H.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2492, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to improve the efficiency and cost effectiveness of the Hawaii Employer-Union Health Benefits Trust Fund and reduce confusion for retirees with regard to the annual adjustments of their base monthly contribution rates.

Specifically, this measure changes the date that the base monthly contribution rate is annually adjusted from July 1 of each year to January 1 of each year.

Written comments in support of the measure were submitted by the Department of Budget and Finance; and Hawaii Employer-Union Health Benefits Trust Fund, Department of Budget and Finance.

Your Committee finds that, currently, a retiree's base monthly contribution rate is adjusted annually on July 1 based upon federal Medicare part B rate adjustments. However, Medicare part B adjustments are determined and effective January 1 of each year. Additionally, the Hawaii Employer-Union Health Benefits Trust Fund retiree plan year is January 1 to December 31. Changing the adjustment of the base monthly contribution rate from July 1 to January 1 of each year will align the Hawaii Employer-

HB2492 HD1 SSCR LRB 12-2284.doc

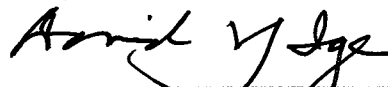


Union Health Benefits Trust Fund retiree plan year and base monthly contribution rate adjustment date with the federal Medicare part B adjustment date.

Your Committee further finds that having only one rate change per year instead of two will be more cost effective for the Hawaii Employer-Union Health Benefits Trust Fund and less confusing for retirees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2492, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2492 HDI	JDL, WAM	3-28-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado				/
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	13	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Michelle N. Kidani</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes