
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-33, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§87A-33 State and county contributions; retired
4 employees. (a) Notwithstanding any law to the contrary, this
5 section shall apply to state and county contributions to the
6 fund for:

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

9 (2) A dependent-beneficiary, upon the death of the
10 employee-beneficiary, except as provided in section
11 87A-36;

12 (3) An employee-beneficiary who retired after June 30,
13 1984, due to a disability falling within sections 88-
14 79 and 88-285;

15 (4) An employee-beneficiary who retired before July 1,
16 1984;

17 (5) An employee-beneficiary who:



- 1 (A) Was hired before July 1, 1996;
- 2 (B) Retired after June 30, 1984; and
- 3 (C) Who has ten years or more of credited service,
- 4 excluding sick leave;
- 5 (6) An employee-beneficiary who:
 - 6 (A) Was hired after June 30, 1996; and
 - 7 (B) Retired with twenty-five or more years of
 - 8 credited service, excluding sick leave, except as
 - 9 provided in section 87A-36; and
- 10 (7) Employees who retired prior to 1961 and their
- 11 dependent-beneficiaries.
- 12 (b) Effective July 1, 2003, there is established a base
- 13 monthly contribution for health benefit plans that the State,
- 14 through the department of budget and finance, and the counties,
- 15 through their respective departments of finance, shall pay to
- 16 the fund, up to the following:
 - 17 (1) \$218 for each employee-beneficiary enrolled in
 - 18 supplemental medicare self plans;
 - 19 (2) \$671 for each employee-beneficiary enrolled in
 - 20 supplemental medicare family plans;
 - 21 (3) \$342 for each employee-beneficiary enrolled in non-
 - 22 medicare self plans; and



1 (4) \$928 for each employee-beneficiary enrolled in non-
2 medicare family plans.

3 The monthly contribution by the State or county shall not
4 exceed the actual cost of the health benefits plan or plans. If
5 both husband and wife are employee-beneficiaries, the total
6 contribution by the State or county shall not exceed the monthly
7 contribution for a supplemental medicare family or non-medicare
8 family plan, as appropriate.

9 (c) Effective July 1, 2004, there is established a base
10 monthly contribution for health benefit plans that the State,
11 through the department of budget and finance, and the counties,
12 through their respective departments of finance, shall pay to
13 the fund, up to the following:

14 (1) \$254 for each employee-beneficiary enrolled in
15 supplemental medicare self plans;

16 (2) \$787 for each employee-beneficiary enrolled in
17 supplemental medicare family plans;

18 (3) \$412 for each employee-beneficiary enrolled in non-
19 medicare self plans; and

20 (4) \$1,089 for each employee-beneficiary enrolled in non-
21 medicare family plans.



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

9 (d) Effective July 1, 2013, there is established a base
10 monthly contribution for health benefit plans that the State,
11 through the department of budget and finance, and the counties,
12 through their respective departments of finance, shall pay to
13 the fund, up to the following:

- 14 (1) \$619 for each employee-beneficiary enrolled in
15 supplemental medicare self plans;
16 (2) \$1,240 for each employee-beneficiary enrolled in
17 supplemental medicare two-party plans;
18 (3) \$1,806 for each employee-beneficiary enrolled in
19 supplemental medicare family plans;
20 (4) \$869 for each employee-beneficiary enrolled in non-
21 medicare self plans;



1 (5) \$1,751 for each employee-beneficiary enrolled in non-
2 medicare two-party plans; and

3 (4) \$2,562 for each employee-beneficiary enrolled in non-
4 medicare family plans.

5 The monthly contribution by the State or county shall not
6 exceed the actual cost of the health benefit plan or plans and
7 shall not be required to cover increased benefits above those
8 initially contracted for by the fund for plan year 2013-2014.
9 If both husband and wife are employee-beneficiaries, the total
10 contribution by the State or county shall not exceed the monthly
11 contribution for a supplemental medicare family or non-medicare
12 family plan, as appropriate.

13 ~~[(d)]~~ (e) The base composite monthly contribution shall be
14 adjusted annually, beginning July 1, ~~[2005-]~~ 2023. The adjusted
15 base composite monthly contribution for each new plan year (July
16 1 until June 30) shall be calculated by increasing or decreasing
17 the base composite monthly contribution in effect through the
18 end of the previous plan year by the percentage increase or
19 decrease in the medicare part B premium rate for those years,
20 which percentage shall be calculated by dividing the medicare
21 part B premium rate in effect at the beginning of the new plan



1 year by the rate in effect at the beginning of the previous plan
2 year.

3 For the plan year beginning July 1, [~~2005~~] 2023, the
4 adjusted base monthly contribution shall be computed using the
5 actual contracted premium rate as of July 1, [~~2004~~] 2013, for
6 medicare and non-medicare, self, two-party, and family health
7 benefits plans with the highest actual contracted premium rate
8 as of July 1, [~~2004~~] 2013.

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

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



1 SECTION 3. This Act shall take effect on July 1, 2013.

2

INTRODUCED BY:

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JAN 18 2013



H.B. NO. 54

Report Title:

EUTF

Description:

Increases the base monthly contributions paid by the State and counties for the health benefit plans of retired employees by 30% for 10 years. Effective 7/1/13.

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

