
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 provide for the
2 amortization of the unfunded actuarial accrued liability of the
3 Hawaii employer-union health benefits trust fund. More
4 specifically, this Act establishes that medicare part B
5 reimbursements shall not be provided to employee-beneficiaries
6 or spouses of employee-beneficiaries hired after June 30, 2013.

7 This Act also clarifies "standard medicare part B premium"
8 as the lowest medicare part B premium amount for persons in the
9 lowest income bracket or the premium amount paid by the
10 employee-beneficiary or employee-beneficiary's spouse.

11 SECTION 2. Section 87A-23, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§87A-23 Health benefits plan supplemental to medicare.**

14 (a) The board shall establish a health benefits plan, which
15 takes into account benefits available to an employee-beneficiary
16 and spouse under medicare, subject to the following conditions:



- 1 (1) There shall be no duplication of benefits payable
2 under medicare. The plan under this section, which
3 shall be secondary to medicare, when combined with
4 medicare and any other plan to which the health
5 benefits plan is subordinate under the National
6 Association of Insurance Commissioners' coordination
7 of benefit rules, shall provide benefits that
8 approximate those provided to a similarly situated
9 beneficiary not eligible for medicare;
- 10 (2) The State, through the department of budget and
11 finance, and the counties, through their respective
12 departments of finance, shall pay to the fund a
13 contribution equal to [~~an amount not less than~~] the
14 standard medicare part B premium[~~7~~] for each of the
15 following who are enrolled in the medicare part B
16 medical insurance plan: (A) an employee-beneficiary
17 who is a retired employee, (B) an employee-
18 beneficiary's spouse while the employee-beneficiary is
19 living, and (C) an employee-beneficiary's spouse,
20 after the death of the employee-beneficiary, if the
21 spouse qualifies as an employee-beneficiary. [~~For~~
22 purposes of this section, a "retired employee" means



1 ~~retired members of the employees' retirement system;~~
2 ~~county pension system; or a police, firefighters, or~~
3 ~~bandsmen pension system of the State or a county as~~
4 ~~set forth in chapter 88. If the amount reimbursed by~~
5 ~~the fund under this section is less than the actual~~
6 ~~cost of the medicare part B medical insurance plan due~~
7 ~~to an increase in the medicare part B medical~~
8 ~~insurance plan rate, the fund shall reimburse each~~
9 ~~employee beneficiary and employee beneficiary's spouse~~
10 ~~for the cost increase within thirty days of the rate~~
11 ~~change.] For purposes of this paragraph, the "standard~~
12 ~~medicare part B premium" means the lowest of the~~
13 ~~monthly medicare part B premium amount that is~~
14 ~~annually established for persons in the lowest income~~
15 ~~bracket or the monthly medicare part B premium amount~~
16 ~~that is actually paid by the employee-beneficiary or~~
17 ~~the employee-beneficiary's spouse. Each~~
18 ~~employee-beneficiary and employee-beneficiary's spouse~~
19 ~~who becomes entitled to reimbursement from the fund~~
20 ~~for standard medicare part B premiums after July 1,~~
21 ~~2006, shall designate a financial institution account~~
22 ~~into which the fund shall be authorized to deposit~~



1 reimbursements. This method of payment may be waived
2 by the fund if another method is determined to be more
3 appropriate;

4 (3) The benefits available under this plan, when combined
5 with benefits available under medicare or any other
6 coverage or plan to which this plan is subordinate
7 under the National Association of Insurance
8 Commissioners' coordination of benefit rules, shall
9 approximate the benefits that would be provided to a
10 similarly situated employee-beneficiary not eligible
11 for medicare;

12 (4) All employee-beneficiaries or dependent-beneficiaries
13 who are eligible to enroll in the medicare part B
14 medical insurance plan shall enroll in that plan as a
15 condition of receiving contributions and participating
16 in benefits plans under this chapter. This paragraph
17 shall apply to retired employees, their spouses, and
18 the surviving spouses of deceased retirees and
19 employees killed in the performance of duty; and

20 (5) The board shall determine which of the
21 employee-beneficiaries and dependent-beneficiaries,
22 who are not enrolled in the medicare part B medical



1 insurance plan, may participate in the plans offered
2 by the fund.

3 (b) Subsection (a)(2) and (3) shall not apply to an
4 employee-beneficiary hired after June 30, 2013, or the spouse of
5 an employee-beneficiary hired after June 30, 2013.

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

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2013.

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INTRODUCED BY:

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H.B. NO. 543

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 6/30/13. Clarifies the amount to be paid to the EUTF by public employers for the medicare part B premiums of certain beneficiaries. Effective 7/1/13.

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