
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
14 88-79 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 ~~(e)]~~ (b) Effective [~~July~~] January 1, [~~2004,~~] 2014, there
10 is established a base monthly contribution for health benefit
11 plans that the State, through the department of budget and
12 finance, and the counties, through their respective departments
13 of finance, shall pay to the fund, up to the following:

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

16 (2) [~~\$787~~] \$ _____ for each employee-beneficiary enrolled
17 in supplemental medicare [~~family~~] two-party plans;

18 (3) [~~\$412~~] \$ _____ for each employee-beneficiary enrolled
19 in [~~non-medicare-self~~] supplemental medicare family
20 plans; [~~and~~]

21 (4) [~~\$1,089~~] \$ _____ for each employee-beneficiary enrolled
22 in non-medicare [~~family~~] self plans[~~;~~];



- 1 (5) \$ _____ for each employee-beneficiary enrolled in non-
2 medicare two-party plans; and
- 3 (6) \$ _____ 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 2004-2005.
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) The base composite monthly contribution shall be~~
14 ~~adjusted annually, beginning July 1, 2005. The adjusted base~~
15 ~~composite monthly contribution for each new plan year (July 1~~
16 ~~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, the adjusted base~~
4 ~~monthly contribution shall be computed using the actual~~
5 ~~contracted premium rate as of July 1, 2004, for medicare and~~
6 ~~non-medicare, self and family health benefits plans with the~~
7 ~~highest actual contracted premium rate as of July 1, 2004.~~

8 ~~As used in this subsection, "medicare part B premium rate"~~
9 ~~means the rate published in the Federal Register each year on~~
10 ~~November 1 or on the business day closest to November 1 of each~~
11 ~~year after the medicare part B premium rate has been established~~
12 ~~by the Secretary of Health and Human Services and approved by~~
13 ~~the United States Congress.~~

14 ~~(e)]~~ (c) The base composite monthly contribution shall be
15 adjusted annually, beginning January 1, ~~[2013.]~~ 2015. The
16 adjusted base composite monthly contribution for each new plan
17 year (January 1 until December 31) shall be calculated by
18 increasing or decreasing the base composite monthly contribution
19 in effect through the end of the previous plan year by the
20 percentage increase or decrease in the medicare part B premium
21 rate for those years, which percentage shall be calculated by
22 dividing the medicare part B premium rate in effect at the



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

3 ~~[For the plan year beginning January 1, 2013, the adjusted~~
4 ~~base monthly contribution shall be computed using the base~~
5 ~~composite monthly contribution as of July 1, 2012.]~~

6 As used in this subsection, "medicare part B premium rate"
7 means the rate published in the Federal Register each year on
8 November 1 or on the business day closest to November 1 of each
9 year after the medicare part B premium rate has been established
10 by the United States Secretary of Health and Human Services and
11 approved by the United States Congress.

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

18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 3. This Act shall take effect on January 1, 2050.



Report Title:

Hawaii Employer-union Health Benefits Trust Fund; Retired Employees; State and County Contributions

Description:

Sets the base monthly contributions for health benefit plans, including two-party plans, paid by the State and counties for retired employees to unspecified amounts beginning 01/01/14. Effective 01/01/50. (SD2)

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

