



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION  
AFSCME Local 152, AFL-CIO

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**LATE TESTIMONY**

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The Twenty-Seventh Legislature, State of Hawaii  
House of Representatives  
Committee on Labor and Public Employment

Testimony by  
Hawaii Government Employees Association  
February 5, 2013

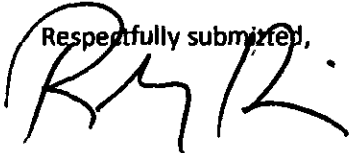
H.B. 543 Relating to The Hawaii Employer-Union Health Benefits Trust Fund

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of H.B. 543 which would eliminate Medicare Part B reimbursements for employee beneficiaries or spouses of employee-beneficiaries who are hired after June 30, 2013. The bill also clarifies "standard Medicare Part B premium" as the lowest Medicare Part B premium amount for persons in the lowest income bracket or the premium amount paid by the employee-beneficiary or employee-beneficiary spouse.

Medicare was established in 1965 by the federal government to provide health insurance for people 65 years of age or older. Medicare Part B was established to address medical insurance for home doctors' services, outpatient care, durable medical equipment, home health services and other medical services. Medicare Part B enrollees are charged a monthly premium which is updated by the Center for Medicare and Medicaid Services each year. To access the benefits provided by Medicare, in 1966 the Public Employee Health Fund (Health Fund), the predecessor to the Hawaii Employer Union Health Benefits Trust Fund (the EUTF), required that all Medicare eligible employee and dependent beneficiaries (retirees and their dependents, collectively Medicare retirees) enroll in Medicare Part B. This requirement resulted in significant cost savings to the State and Counties as Medicare part B became the primary insurance provider and the Health Fund and subsequently the EUTF plans became the secondary insurance provider for Medicare retirees. Additionally, in fairness to the Medicare retirees as their benefits were not improved or enhanced with this new requirement, the State and Counties assumed responsibility for the Medicare Part B premiums through reimbursements to the Medicare retirees. With this bill, the State and Counties want to further diminish benefits by paying to the fund the standard Medicare Part B premium reimbursements to current Medicare retirees.

This continued reduction of the benefits of public employment will have significant negative impact to the community as the State and Counties will find it even more difficult to recruit and retain qualified, dedicated public employees. We strongly urge the committee to oppose this bill so detrimental to the future of our State.

Thank you for the opportunity to provide testimony in opposition of this measure.

Respectfully submitted,  


Randy Perreira  
Executive Director

