
A BILL FOR AN ACT

RELATING TO MEDICARE PART B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. With the escalation of health care costs and
2 increased life expectancy, it has become increasingly evident
3 that secure retirement benefits are essential to financial
4 security at the end of people's careers. The legislature
5 recognizes the importance of ensuring that public employees
6 retain the retirement benefits they have earned through a
7 lifetime of public service. Retirement benefits provide
8 valuable protection to retirees against outliving their savings
9 and other sources of retirement income.

10 The legislature believes that adequate and individual
11 notice to retirees that they may be eligible for reimbursement
12 of cost-adjusted medicare part B premiums is an important
13 measure to maximize retiree benefits and ensure that retirees
14 receive the full value of the benefits that they are entitled
15 to.



1 The purpose of this Act is to provide members of the Hawaii
2 employer-union health benefits trust fund with individual actual
3 notice in instances where medicare part B claims are not filed.

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

6 "**§87A-23 Health benefits plan supplemental to medicare.**

7 The board shall establish a health benefits plan, which takes
8 into account benefits available to an employee-beneficiary and
9 spouse under medicare, subject to the following conditions:

10 (1) There shall be no duplication of benefits payable
11 under medicare. The plan under this section, which
12 shall be secondary to medicare, when combined with
13 medicare and any other plan to which the health
14 benefits plan is subordinate under the National
15 Association of Insurance Commissioners' coordination
16 of benefit rules, shall provide benefits that
17 approximate those provided to a similarly situated
18 beneficiary not eligible for medicare;

19 (2) The State, through the department of budget and
20 finance, and the counties, through their respective
21 departments of finance, shall pay to the fund a



1 contribution equal to an amount not less than the
2 medicare part B premium, for each of the following who
3 are enrolled in the medicare part B medical insurance
4 plan: (A) an employee-beneficiary who is a retired
5 employee, (B) an employee-beneficiary's spouse while
6 the employee-beneficiary is living, and (C) an
7 employee-beneficiary's spouse, after the death of the
8 employee-beneficiary, if the spouse qualifies as an
9 employee-beneficiary. For purposes of this section, a
10 "retired employee" means retired members of the
11 employees' retirement system; county pension system;
12 or a police, firefighters, or bandsmen pension system
13 of the State or a county as set forth in chapter 88.
14 If the amount reimbursed by the fund under this
15 section is less than the actual cost of the medicare
16 part B medical insurance plan due to an increase in
17 the medicare part B medical insurance plan rate, the
18 fund shall reimburse each employee-beneficiary and
19 employee-beneficiary's spouse for the cost increase
20 within thirty days of the rate change. Each employee-
21 beneficiary and employee-beneficiary's spouse who



1 becomes entitled to reimbursement from the fund for
2 medicare part B premiums after July 1, 2006, shall
3 designate a financial institution account into which
4 the fund shall be authorized to deposit
5 reimbursements. This method of payment may be waived
6 by the fund if another method is determined to be more
7 appropriate;

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

16 (4) All employee-beneficiaries or dependent-beneficiaries
17 who are eligible to enroll in the medicare part B
18 medical insurance plan shall enroll in that plan as a
19 condition of receiving contributions and participating
20 in benefits plans under this chapter. This paragraph
21 shall apply to retired employees, their spouses, and



1 the surviving spouses of deceased retirees and
2 employees killed in the performance of duty; [~~and~~]

3 (5) The board shall determine which of the employee-
4 beneficiaries and dependent-beneficiaries, who are not
5 enrolled in the medicare part B medical insurance
6 plan, may participate in the plans offered by the
7 fund[-]; and

8 (6) The board shall notify the employee-beneficiary and
9 employee-beneficiary's spouse in cases where no
10 reimbursement request for and proof of an income-
11 adjusted medicare part B premium is received by the
12 fund from the employee-beneficiary or employee-
13 beneficiary's spouse. Notification to the employee-
14 beneficiary and employee-beneficiary's spouse shall
15 include instructions for making a reimbursement
16 request for an income-adjusted medicare part B
17 premium. Notifications shall be sent by registered
18 mail to the employee-beneficiary's or employee-
19 beneficiary's spouse's address of record."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on January 1, 2050.



Report Title:

Medicare Part B; Notification; EUTF

Description:

Requires the board to send actual, individual notice via registered mail to EUTF members that they may be eligible for reimbursement of cost-adjusted Medicare Part B premium payments.
(HB1358 HD1)

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