
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.

16 The legislature further believes that all members who are
17 entitled to reimbursement should not be denied their



1 reimbursement for failure to file a claim within a certain time
2 period.

3 The purpose of this Act is to:

4 (1) Provide members of the Hawaii employer-union health
5 benefits trust fund with individual actual notice in
6 instances where medicare part B claims are not filed;
7 and

8 (2) Allow members to file a claim for reimbursement at any
9 time.

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

12 "§87A-23 Health benefits plan supplemental to medicare.

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

16 (1) There shall be no duplication of benefits payable
17 under medicare. The plan under this section, which
18 shall be secondary to medicare, when combined with
19 medicare and any other plan to which the health
20 benefits plan is subordinate under the National
21 Association of Insurance Commissioners' coordination



1 of benefit rules, shall provide benefits that
2 approximate those provided to a similarly situated
3 beneficiary not eligible for medicare;

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



1 part B medical insurance plan due to an increase in
2 the medicare part B medical insurance plan rate, the
3 fund shall reimburse each employee-beneficiary and
4 employee-beneficiary's spouse for the cost increase
5 within thirty days of the rate change. Each employee-
6 beneficiary and employee-beneficiary's spouse who
7 becomes entitled to reimbursement from the fund for
8 medicare part B premiums after July 1, 2006, shall
9 designate a financial institution account into which
10 the fund shall be authorized to deposit
11 reimbursements. This method of payment may be waived
12 by the fund if another method is determined to be more
13 appropriate;

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



- 1 (4) All employee-beneficiaries or dependent-beneficiaries
2 who are eligible to enroll in the medicare part B
3 medical insurance plan shall enroll in that plan as a
4 condition of receiving contributions and participating
5 in benefits plans under this chapter. This paragraph
6 shall apply to retired employees, their spouses, and
7 the surviving spouses of deceased retirees and
8 employees killed in the performance of duty; ~~and~~
- 9 (5) The board shall determine which of the employee-
10 beneficiaries and dependent-beneficiaries, who are not
11 enrolled in the medicare part B medical insurance
12 plan, may participate in the plans offered by the
13 fund[-]; and
- 14 (6) The board shall notify the employee-beneficiary and
15 employee-beneficiary's spouse in cases where no
16 reimbursement request for and proof of an income-
17 adjusted medicare part B premium is received by the
18 fund from the employee-beneficiary or employee-
19 beneficiary's spouse. Notification to the employee-
20 beneficiary and employee-beneficiary's spouse shall
21 include instructions for making a reimbursement



1 request for an income-adjusted medicare part B
2 premium. Notifications shall be sent by registered
3 mail to the employee-beneficiary's or employee-
4 beneficiary's spouse's address of record."

5 SECTION 3. Section 87A-31, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§87A-31 Trust fund; purpose.** (a) The fund shall be used
8 to provide employee-beneficiaries and dependent-beneficiaries
9 with health and other benefit plans, and to pay administrative
10 and other expenses of the fund. All assets of the fund are and
11 shall be dedicated to providing health and other benefits plans
12 to the employee-beneficiaries and dependent-beneficiaries in
13 accordance with the terms of those plans and to pay
14 administrative and other expenses of the fund, and shall be used
15 for no other purposes except for those set forth in this
16 section.

17 (b) The fund, including any earnings on investments, and
18 rate credits or reimbursements from any carrier or self-insured
19 plan and any earning or interest derived therefrom, may be used
20 to stabilize health and other benefit plan rates; provided that
21 the approval of the governor and the legislature shall be



1 necessary to fund administrative and other expenses necessary to
2 effectuate these purposes.

3 (c) The fund may be used to provide group life insurance
4 benefits to employees to the extent that contributions are
5 provided for group life insurance benefits in sections 87A-32
6 and 87A-37.

7 (d) The fund may assist the State and the counties to
8 implement and administer cafeteria plans authorized under Title
9 26 United States Code section 125, the Internal Revenue Code of
10 1986, as amended, and section 78-30.

11 (e) At the discretion of the board, some or all of the
12 fund may be used as a reserve against or to pay the fund's
13 future costs of providing health and other benefits plans
14 established under sections 87A-23 and 87A-37 and any other
15 benefits plans the board establishes for retired employees and
16 their beneficiaries. The board may create separate funds within
17 the fund for this purpose. Each separate fund shall be subject
18 to all of the provisions of this chapter.

19 (f) If after commencing the reimbursement of medicare part
20 B premiums in section 87A-23, or any other debt payable under
21 this chapter, the fund cannot locate the employee-beneficiary or



1 other person or entity entitled to payment, further payment
2 shall be forfeited to the fund if the total amount is less than
3 \$500 and shall not escheat under the laws of any state; provided
4 that the forfeited payment shall be restored if the employee-
5 beneficiary, or other person or entity entitled to the forfeited
6 payment makes a proper application to the fund for restoration
7 of the benefit [~~no later than ten years following the last valid~~
8 ~~reimbursement or payment~~]. All applications for restoration of
9 a forfeited benefit or payment shall be in a form satisfactory
10 to the fund. [~~For forfeited benefits or payments in existence~~
11 ~~on June 30, 2017, the ten year time limitation on claiming the~~
12 ~~benefits or payments shall commence on July 1, 2017.~~]

13 (g) An employee-beneficiary's claim or the claim of any
14 other person or entity entitled to reimbursement shall not
15 lapse. All forfeited benefits or payments denied because of a
16 failure to file in a timely manner that are in existence on June
17 30, 2019, shall be available to be claimed by an employee-
18 beneficiary or other person or entity entitled to payment."

19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 2019.

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INTRODUCED BY: Richard Gray

John M. [Signature]
Romy A. [Signature]

JAN 24 2019



H.B. NO. 1358

Report Title:

Medicare Part B; Reimbursement; 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. Establishes claims for reimbursement as evergreen.

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

