

JAN 24 2019

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# A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
COMPLIANCE WITH FEDERAL AND STATE LAWS.

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

1           SECTION 1. The legislature finds that the definition of  
2 "dependent-beneficiary" in section 87A-1, Hawaii Revised  
3 Statutes, should be amended to be consistent with the federal  
4 Patient Protection and Affordable Care Act of 2010, which  
5 prohibits restricting health insurance coverage to only  
6 unmarried dependents and dependents who live with the employe-  
7 beneficiary, and denying health insurance coverage to married  
8 dependents and dependents who do not live with the employe-  
9 beneficiary. The legislature further finds that chapter 87A,  
10 Hawaii Revised Statutes, should be amended to be consistent with  
11 chapter 572B, Hawaii Revised Statutes, regarding civil unions.

12           The purposes of this Act are to:

- 13           (1) Bring the definition of "dependent-beneficiary" into  
14           conformance with the federal Patient Protection and  
15           Affordable Care Act of 2010; and  
16           (2) Bring references to marriages into conformance with  
17           chapter 572B, Hawaii Revised Statutes.

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1 SECTION 2. Section 87A-1, Hawaii Revised Statutes, is  
2 amended by amending the definition of "dependent-beneficiary" to  
3 read as follows:

4 "Dependent-beneficiary" means an employee-beneficiary's:

5 (1) Spouse;

6 (2) [~~Unmarried child~~] Child deemed eligible by the board,  
7 including a legally adopted child, stepchild, foster  
8 child, or recognized natural child [~~who lives with the~~  
9 ~~employee-beneficiary and~~]; and

10 (3) Unmarried child regardless of age who is incapable of  
11 self-support because of a mental or physical  
12 incapacity, which existed prior to the unmarried  
13 child's reaching the age of nineteen years."

14 SECTION 3. Section 87A-32, Hawaii Revised Statutes, is  
15 amended by amending subsection (a) to read as follows:

16 "(a) The State, through the department of budget and  
17 finance, and the counties, through their respective departments  
18 of finance, shall pay to the fund a monthly contribution equal  
19 to the amount established under chapter 89C or specified in the  
20 applicable public sector collective bargaining agreements,  
21 whichever is appropriate, for each of their respective employee-  
22 beneficiaries and employee-beneficiaries with dependent-

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1 beneficiaries, which shall be used toward the payment of costs  
2 of a health benefits plan; provided that:

3 (1) The monthly contribution shall be a specified dollar  
4 amount;

5 (2) The monthly contribution shall not exceed the actual  
6 cost of a health benefits plan;

7 (3) If [~~both husband and wife are~~] two employee-  
8 beneficiaries, are married or in a civil union, the  
9 total contribution by the State or the county shall  
10 not exceed the monthly contribution for a family plan;  
11 and

12 (4) If the State or any of the counties establish  
13 cafeteria plans in accordance with Title 26, United  
14 States Code section 125, the Internal Revenue Code of  
15 1986, as amended, and section 78-30, the monthly  
16 contribution for those employee-beneficiaries who  
17 participate in a cafeteria plan shall be made through  
18 the cafeteria plan, and the payments made by the State  
19 or counties shall include their respective  
20 contributions to the fund and their employee-  
21 beneficiary's share of the cost of the employee-  
22 beneficiary's health benefits plan."

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1 SECTION 4. Section 87A-33, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) Effective January 1, 2014, there is established a  
4 base monthly contribution for health benefit plans that the  
5 State, through the department of budget and finance, and the  
6 counties, through their respective departments of finance, shall  
7 pay to the fund, up to the following:

8 (1) \$524.73 for each employee-beneficiary enrolled in  
9 supplemental medicare self plans;

10 (2) \$1,051.70 for each employee-beneficiary enrolled in  
11 supplemental medicare two-party plans;

12 (3) \$1,531.78 for each employee-beneficiary enrolled in  
13 supplemental medicare family plans;

14 (4) \$736.60 for each employee-beneficiary enrolled in  
15 non-medicare self plans;

16 (5) \$1,484.72 for each employee-beneficiary enrolled in  
17 non-medicare two-party plans; and

18 (6) \$2,173.06 for each employee-beneficiary enrolled in  
19 non-medicare family plans.

20 The monthly contribution by the State or county shall not  
21 exceed the actual cost of the health benefit plan or plans and  
22 shall not be required to cover increased benefits above those

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1 initially contracted for by the fund for plan year 2004-  
2 2005. If [~~both husband and wife are~~] two employee-  
3 beneficiaries, are married or in a civil union, the total  
4 contribution by the State or county shall not exceed the monthly  
5 contribution for a supplemental medicare family or non-medicare  
6 family plan, as appropriate."

7 SECTION 5. Section 87A-34, Hawaii Revised Statutes, is  
8 amended by amending subsection (b) to read as follows:

9 "(b) The State, through the department of budget and  
10 finance, and the counties, through their respective departments  
11 of finance, shall pay to the fund a monthly contribution equal  
12 to one-half of the base monthly contribution set forth under  
13 section 87A-33(b) for retired employees enrolled in medicare or  
14 non-medicare health benefits plans. If [~~both husband and wife~~  
15 ~~are~~] two employee-beneficiaries, are married or in a civil  
16 union, the total contribution by the State or county shall not  
17 exceed the monthly contribution for supplemental medicare family  
18 or non-medicare family plan, as appropriate."

19 SECTION 6. Section 87A-35, Hawaii Revised Statutes, is  
20 amended by amending subsection (c) to read as follows:

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1           "(c) The State, through the department of budget and  
2 finance, and the counties, through their respective departments  
3 of finance, shall pay to the fund:

4           (1) For retired employees enrolled in medicare or non-  
5 medicare health benefit plans with ten or more years  
6 but fewer than fifteen years of service, a monthly  
7 contribution equal to one-half of the base monthly  
8 contribution set forth under section 87A-33(b); and

9           (2) For retired employees enrolled in medicare or non-  
10 medicare health benefit plans with at least fifteen  
11 but fewer than twenty-five years of service, a monthly  
12 contribution of seventy-five per cent of the base  
13 monthly contribution set forth under section 87A-  
14 33(b).

15 If [~~both husband and wife are~~] two employee-beneficiaries, are  
16 married or in a civil union, the total contribution by the State  
17 or county shall not exceed the monthly contribution for a  
18 supplemental medicare family or non-medicare family plan, as  
19 appropriate."

20           SECTION 7. Section 87A-36, Hawaii Revised Statutes, is  
21 amended by amending subsection (c) to read as follows:

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1           "(c) The State, through the department of budget and  
2 finance, and the counties, through their respective departments  
3 of finance, shall pay to the fund:

4           (1) For retired employees based on the self plan with ten  
5 or more years but fewer than fifteen years of service,  
6 a monthly contribution equal to one-half of the base m  
7 medicare or non-medicare monthly contribution set  
8 forth under section 87A-33(b);

9           (2) For retired employees based on the self plan with at  
10 least fifteen but fewer than twenty-five years of  
11 service, a monthly contribution equal to seventy-five  
12 per cent of the base medicare or non-medicare monthly  
13 contribution set forth under section 87A-33(b);

14           (3) For retired employees based on the self plan with  
15 twenty-five or more years of service, a monthly  
16 contribution equal to one hundred per cent of the base  
17 medicare or non-medicare monthly contribution set  
18 forth under section 87A-33(b); and

19           (4) One-half of the monthly contributions for the  
20 employee-beneficiary or employee-beneficiary with  
21 dependent-beneficiaries upon the death of the

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1           employee, as defined in paragraph (1)(D) of the  
2           definition of "employee" in section 87A-1;

3           If [~~both husband and wife are~~] two employee-beneficiaries,  
4 are married or in a civil union, the total contribution by the  
5 State or county shall not exceed the monthly contribution for  
6 two supplemental medicare self or non-medicare self plans, as  
7 appropriate."

8           SECTION 8. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10          SECTION 9. This Act, upon its approval, shall take effect  
11 on July 1, 2019.

12

13

INTRODUCED BY:

*Mr. M. M.*

14

BY REQUEST

15

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**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund

**Description:**

Amends the definition of "dependent-beneficiary" and references to marriages in relation to civil unions.

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

## JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND COMPLIANCE WITH FEDERAL AND STATE LAWS.

PURPOSE: To amend the definition of "dependent-beneficiary" and references to marriages in relation to civil unions to comply with federal and Hawaii law.

MEANS: Amend sections 87A-1, 87A-32(a), 87A-33(b), 87A-34(b), 87A-35(c), and 87A-36(c), Hawaii Revised Statutes (HRS).

JUSTIFICATION: The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) has found that the definition of a "dependent-beneficiary" should be amended to be consistent with the federal Patient Protection and Affordable Care Act of 2010. In addition, references to marriages should be changed to comply with chapter 572, HRS.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: July 1, 2019.