

STAND. COM. REP. NO.

409

Honolulu, Hawaii

FEB 18 , 2021

RE: H.B. No. 468  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Labor & Tourism, to which was referred H.B. No. 468 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose of this measure is to remove Medicare Part B reimbursement as a benefit for spouses of employee-beneficiaries hired on or after July 1, 2021.

Your Committee received testimony in support of this measure from the Department of Budget and Finance. Your Committee received comments on this measure from the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the Hawaii Employer-Union Health Benefits Trust Fund determined that Employer Medicare Part B premium reimbursements for fiscal year 2020 totaled \$92,400,000, of which \$72,900,000 was attributable to the State, and approximately one quarter related to spouses. The actuarial estimated savings from this measure, if passed, would be \$1,200,000,000 over the next thirty years in lower annual required contributions.

2021-1745 HB468 HD1 HSCR HMSO



Your Committee further finds that this change to the health benefits plan is limited to new hires, who will therefore have no expectation that their spouse would be entitled to this reimbursement. Your Committee also finds that the change will assist the State and counties in limiting their financial obligations to the Hawaii Employer-Union Health Benefits Trust Fund moving forward, while continuing to afford employees themselves this reimbursement benefit.

Your Committee has amended this measure by:

- (1) Changing the effective date to December 25, 2040, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 468, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Tourism,

  
RICHARD H.K. ONISHI, Chair



