



GOV. MSG. NO. 1140

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

June 1, 2023

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

✓The Honorable Scott K. Saiki
Speaker, and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 1, 2023, the following bill was signed into law:

SB1314 SD2 HD1

RELATING TO THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND SPOUSAL
MEDICARE PART B PREMIUM
REIMBURSEMENT.
ACT 040

Sincerely,

Josh Green, M.D.
Governor, State of Hawai'i

on JUN 1 2023

ACT 040

THE SENATE
THIRTY-SECOND LEGISLATURE, 2023
STATE OF HAWAII

S.B. NO. 1314
S.D. 2
H.D. 1

A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
SPOUSAL MEDICARE PART B PREMIUM REIMBURSEMENT.

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

1 SECTION 1. The legislature finds that the State and
2 counties reimburse retirees and their spouses for medicare part
3 B premiums, including spouses of retirees hired after June 30,
4 2001. Employers do not receive any benefit from the enrollment
5 of self-only retiree spouses in medicare part B, since the
6 employers do not contribute to the spouse's premiums. The
7 Hawaii employer-union health benefits trust fund board of
8 trustees estimates that eliminating medicare part B premium
9 reimbursements for spouses of employees hired on or after
10 July 1, 2023, will reduce the State's future annual required
11 contributions by \$1.2 billion over a thirty-year period.
12 Current retirees; vested, terminated employees; and current
13 employees will not be impacted by this Act.

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



1 **"§87A-23 Health benefits plan supplemental to medicare.**

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

- 5 (1) There shall be no duplication of benefits payable
6 under medicare. The plan under this section, which
7 shall be secondary to medicare, when combined with
8 medicare and any other plan to which the health
9 benefits plan is subordinate under the National
10 Association of Insurance Commissioners' coordination
11 of benefit rules, shall provide benefits that
12 approximate those provided to a similarly situated
13 beneficiary not eligible for medicare;
- 14 (2) The State, through the department of budget and
15 finance, and the counties, through their respective
16 departments of finance, shall pay to the fund a
17 contribution equal to an amount not less than the
18 medicare part B premium, for each of the following who
19 are enrolled in the medicare part B medical insurance
20 plan: (A) an employee-beneficiary who is a retired
21 employee, (B) [~~an employee-beneficiary's spouse~~] a



1 spouse of an employee-beneficiary hired prior to
2 July 1, 2023, while the employee-beneficiary is
3 living, and (C) an employee-beneficiary's spouse,
4 after the death of the employee-beneficiary, if the
5 spouse qualifies as an employee-beneficiary. For
6 purposes of this section, a "retired employee" means
7 retired members of the employees' retirement system;
8 county pension system; or a police, firefighters, or
9 bandsmen pension system of the State or a county as
10 set forth in chapter 88. If the amount reimbursed by
11 the fund under this section is less than the actual
12 cost of the medicare part B medical insurance plan due
13 to an increase in the medicare part B medical
14 insurance plan rate, the fund shall reimburse each
15 employee-beneficiary and [~~employee-beneficiary's~~
16 ~~spouse~~] spouse of an employee-beneficiary hired prior
17 to July 1, 2023, for the cost increase within thirty
18 days of the rate change. Each employee-beneficiary
19 and employee-beneficiary's spouse who becomes entitled
20 to reimbursement from the fund for medicare part B
21 premiums after July 1, 2006, shall designate a

1 financial institution account into which the fund
2 shall be authorized to deposit reimbursements. This
3 method of payment may be waived by the fund if another
4 method is determined to be more appropriate;

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

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



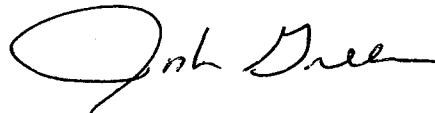
1 (5) The board shall determine which of the
 2 employee-beneficiaries and dependent-beneficiaries,
 3 who are not enrolled in the medicare part B medical
 4 insurance plan, may participate in the plans offered
 5 by the fund."

6 SECTION 3. This Act does not affect rights and duties that
 7 matured, penalties that were incurred, and proceedings that were
 8 begun before its effective date.

9 SECTION 4. Statutory material to be repealed is bracketed
 10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2023.

APPROVED this 1st day of June , 2023



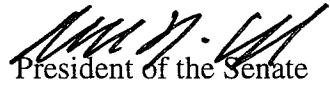
GOVERNOR OF THE STATE OF HAWAII



THE SENATE OF THE STATE OF HAWAI'I

Date: April 19, 2023
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2023.


President of the Senate


Clerk of the Senate

THE HOUSE OF REPRESENTATIVES OF THE
STATE OF HAWAII

Date: April 6, 2023
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Third Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2023.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives