

STAND. COM. REP. NO.

3783

Honolulu, Hawaii

APR 05 2024

RE: H.B. No. 1639  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1639, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to establish a calculation for the Hawaii Employer-Union Health Benefits Trust Fund employer base composite monthly contribution so that the contribution amount will be known to retirees during open enrollment.

Specifically, this measure:

- (1) Effective January 1, 2025, establishes a 5.2 percent rate increase for the employer base composite monthly contribution; and
- (2) Effective January 1, 2026, establishes that the employer base composite monthly contribution shall be based on the change in Medicare Part B premiums from 2024 to 2025 and at a two-year lag thereafter.




Your Committee received written comments in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund and one individual.

Your Committee finds that the current calculation of the employer base composite monthly contribution relies on Medicare Part B premium amounts that are sometimes not published until after the retiree open enrollment period. Accordingly, in some years, retirees are uncertain of their employer's contribution amounts when deciding to enroll in the program. Your Committee further finds that this measure will correct this problem by requiring the employer contribution amounts to be calculated based on Medicare Part B premium amounts that are published before open enrollment, thereby providing more certainty to retirees during open enrollment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1639, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



