

ACT 13

A Bill for an Act Relating to Health and Dental Care for Public Officials, Employees, Retired Employees, Pensioners, and their Dependents.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

(a) With the advent of the federal government's hospital and medical insurance plan (Medicare), a situation will be created whereby the State of Hawaii, as an employer, will contribute a higher social security tax to support Medicare, and at the same time, be required, under chapter 5A, Revised Laws of Hawaii 1955, as amended, to contribute its and the retired employees' share for coverage under the Hawaii public employees health fund. It is urgent that this double coverage and contribution situation be corrected now since the medicare program becomes effective on July 1, 1966.

(b) Under the present law the board of trustees of the Hawaii public employees health fund is limited to a number of health plans. It is advisable to widen the availability of plans providing a noninsured health benefit plan.

(c) With the advent of federal Medicare, it is necessary to avoid extra expense to the State, to provide the board with the means of establishing a supplemental plan and to provide that employee beneficiaries enrolled in the federal medicare plan may participate in the supplemental plan.

(d) Certain technical amendments to existing law are necessary to promote the above purposes and also to promote the efficiency of operation of the Hawaii public employees health fund operation.

SECTION 2. Chapter 5A of the Revised Laws of Hawaii 1955, as amended, is hereby amended in the following respects:

(a) By amending section 5A-1 (h) to read as follows:

"(h) Health benefits plan means (1) a group insurance contract or medical, hospital or dental service agreement in which a carrier agrees to provide, pay for, arrange for or reimburse the cost of health or dental services as determined by the board or (2) a similar schedule of benefits established by the board and provided through the fund on a noninsured basis;"

(b) By deleting the third paragraph of section 5A-4.

(c) By amending the third paragraph of section 5A-5 to read as follows:

"Notwithstanding any other law to the contrary, an employee-beneficiary who is a retired employee, or upon his death his beneficiary as described in section 5A-1(f), shall not be required to make any contribution to the fund."

(d) By further amending section 5A-13 by adding a new paragraph to read as follows:

"(e) a noninsured schedule of benefits similar to any of the schedule of benefits set forth in health benefit plans authorized in paragraphs (a) through (d) of this section."

(e) By further amending section 5A-13 by deleting therefrom the following paragraph:

"If in the judgment of the board, after negotiations with carriers, it is not to the benefit of employee-beneficiaries and their families to contract for any of the plans described in this section, the board shall have the right to eliminate any of these plans for a period of one year. At the end of a year, they shall again attempt to negotiate a satisfactory plan."

(f) By adding a new section thereto to be appropriately numbered and to read:

"Section 5A- . Any other provision of this chapter notwithstanding, the board is hereby authorized and directed to establish, effective July 1, 1966, a health benefit plan which takes into account benefits available to an employee-beneficiary and his spouse under the federal medicare plan, subject to the following conditions:

(a) there shall be no duplication of benefits payable under federal Medicare but the plan so established by the board shall be supplemental to the federal medicare plan.

(b) the contribution for voluntary medical insurance coverage under federal Medicare may be paid by the fund, in such manner as the board shall specify, in the case of an employee-beneficiary who is a retired employee, and his spouse while he is living, and after his death his spouse provided she qualifies as an employee-beneficiary.

(c) the benefits available under such plan, when taken together with the benefits available under the federal medicare plan shall, as nearly as is possible, approximate the benefits available under the plans set forth in section 5A-13 of this chapter. If, for any reason, a situation develops where the benefits available under the supplemental plan and the federal medicare plan substantially differ from those that would otherwise be available, the board is authorized to correct this inequity to assure substantial equality of benefits.

(d) Any employee-beneficiary or dependant beneficiary who is enrolled in the federal medicare plan shall participate in the supplemental plan to be set up hereunder, and any employee-beneficiary or dependent beneficiary eligible for, but not enrolled in the federal medicare plan, may participate in such other plans as are set forth in section 5A-13 of this chapter."

SECTION 3. This Act shall take effect on July 1, 1966.
(Approved April 5, 1966.) S.B. 355.