

ACT 24

S. B. NO. 1221

A Bill for an Act Relating to the Public Employees Health Fund.

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

SECTION 1. Section 87-4, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 87-4 State and county contributions to the fund. The State through the department of budget and finance and the several counties through their respective departments of finance shall pay to the fund a monthly contribution of \$5 for each of their respective employee-beneficiaries and \$15 for each respective employee-beneficiary with a dependent-beneficiary, such contributions to be used towards the payment of costs of hospital, medical, and surgical benefits of a health benefits plan, provided, that the monthly contributions shall not exceed the actual cost of a health benefits plan. If both husband and wife are employee-beneficiaries, the total contribution by the State or the appropriate county shall be \$15 for both of them.

The State or the appropriate county shall make a monthly contribution of \$2.04 for each child who has not attained the age of nineteen of all employee-beneficiaries who are enrolled for dental benefits. The contributions shall be used towards the payment of costs of dental benefits of a health benefits plan. Notwithstanding any provisions to the contrary, no part of the fund shall be used to finance the contributions except a rate credit or reimbursement or earnings or interest therefrom received by the fund or general revenues appropriated for that purpose.

The State through the department of budget and finance and the several counties through their respective departments of finance shall pay to the fund a monthly contribution of \$2.25 for each of their respective employees to be used towards the payment of group life insurance benefits for each employee.

The contributions shall not be considered as wages or salary of an employee-beneficiary, and no employee-beneficiary shall have any vested right in or be entitled to receive any part of any contribution made to the fund.”

SECTION 2. Section 87-6, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 87-6 Contributions by an employee-beneficiary. Each employee-beneficiary shall make a monthly contribution to the fund amounting to the difference between the monthly charge of the health benefits plan selected by the employee-beneficiary and the State’s and county’s contributions to the fund.

During the period the health benefits plan selected by an employee-beneficiary is in effect, the employee-beneficiary shall authorize, if allowed under present laws, that his contribution be withheld and transmitted to the fund monthly by the comptroller, county auditor or finance officer from whom he receives his compensation, pension, or retirement pay. If, however, an employee-beneficiary’s contribution to the fund is not withheld and transmitted to the fund, the employee-beneficiary shall pay his monthly contribution (1) directly to the fund by the tenth day of each month, in the case of an employee-beneficiary who normally receives his compensation from the comptroller of the State, or (2) in the case of all other employee-beneficiaries, to the respective county auditor or finance officer from whom he normally receives his compensation for transmittal to the fund by the tenth day of each month.

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 87-1(6) shall not be required to make any contribution to the fund. The monthly contribution of an employee-beneficiary who is a retired employee, or upon his death his beneficiary as described in section 87-1(6), shall be financed by the State through the department of budget and finance and the several counties through their respective departments of finance for each of their respective employee-beneficiaries.”

SECTION 3. Section 87-25, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 87-25 Determine eligibility of employee or dependent. The board of trustees shall establish and adopt eligibility requirements to determine which employee and dependent may qualify as an employee-beneficiary or dependent-beneficiary, respectively; provided, that a retired member of the employees’ retirement system, a county pension system, or a police, firemen, and bandsmen pension system of the State or county, or his dependent shall be eligible to qualify as an employee-beneficiary or dependent-beneficiary, whether or not the retired member was actively employed by the State or county at the time of his retirement. Only an employee-beneficiary or dependent satisfying the eligibility requirements may qualify as an employee-beneficiary or dependent-beneficiary.”

SECTION 4. Section 87-27, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 87-27 Supplemental plan to federal medicare. Any other provision of this chapter notwithstanding, the board of trustees shall 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:

- (1) 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.
- (2) 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; provided that the counties, through their respective departments of finance, shall reimburse the fund for any contributions made for county employee-beneficiaries under this paragraph.
- (3) The benefits available under the 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 87-22. 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.
- (4) Any employee-beneficiary or dependent 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 87-22."

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii to be expended by the department of budget and finance for the 1973-74 biennium the sum of \$275,000, or so much thereof as may be necessary, for the purposes of this Act.

SECTION 6. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 7. This Act shall take effect on July 1, 1973.

(Approved May 3, 1973.)

*Edited accordingly.