

**ACT 136**

S.B. NO. 1294

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 87-27, Hawaii Revised Statutes, is amended to read as follows:

“§87-27 **Supplemental plan to federal Medicare.** Any other provision of this chapter notwithstanding, the board of trustees shall establish, effective July 1, 1996,<sup>1</sup> a health benefit plan which takes into account benefits available to an employee-beneficiary and 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 spouse while the employee-beneficiary is living, including members of the old pension system and after death the employee-beneficiary's spouse provided the spouse 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.] Notwithstanding any other law to the contrary, all employee-beneficiaries or dependent-beneficiaries who are eligible to enroll in the federal Medicare Part B medical insurance plan shall enroll in that federal plan as a requirement to receive the contributions and to participate in the employee benefit plans described in this chapter. This paragraph shall pertain to retired employees and their spouses and the surviving spouses of deceased retirees and employees killed in the performance of duty; and
- (5) The board of trustees shall determine which employee-beneficiaries and dependent-beneficiaries, who are not enrolled in the federal Medicare Part B medical insurance plan, may participate in such other plans as are set forth in section 87-22.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 25, 1999.)

**Note**

1. So in original.