

STAND. COM. REP. NO. **332**-12

Honolulu, Hawaii

**Feb 14**, 2012

RE: H.B. No. 2492  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2492 entitled:

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

begs leave to report as follows:

The purpose of this measure is to improve the efficiency and cost effectiveness of the Hawaii Employer-Union Health Benefits Trust Fund and reduce confusion for retirees with regard to the annual adjustments of their base monthly contribution rates by changing the date that the base monthly contribution is annually adjusted from July 1 of each year to January 1 of each year.

The Department of Budget and Finance, Administrator of the Hawaii Employer-Union Health Benefits Trust Fund, and Hawaii State Teachers Association testified in support of this measure.

Currently, a retiree's base monthly contribution is adjusted annually, every July 1, based on federal Medicare part B rate adjustments. However, Medicare part B adjustments are determined annually and are effective every January 1. Additionally, the Hawaii Employer-Union Health Benefits Trust Fund retiree plan year is January 1 to December 31. Changing the adjustment of the base monthly contribution from July 1 of each year to January 1 of each year will align the Hawaii Employer-Union Health Benefits Trust Fund retiree plan year and base monthly contribution rate adjustment date with the federal Medicare part B adjustment date.

HB2492 HD1 HSCR LAB HMS 2012-1875



Your Committee finds that having only one rate change per year instead of two will be more administratively efficient for the Hawaii Employer-Union Health Benefits Trust Fund and will be less confusing for retirees.

Your Committee has amended this measure by changing the date the annual adjustment of the base monthly contribution is to commence from January 1, 2012, to January 1, 2013.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2492, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



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KARL RHOADS, Chair



H5CR332-12

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: <b>HB 2492</b>	Committee Referral: <b>LAB, FIN</b>	Date: <b>2-7-12</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia	/			
<del>8. OKAMURA, Tom</del>				
9. SAIKI, Scott K.				/
10. SOUKI, Joseph M.				/
11. TAKUMI, Roy M.	-			
12. FONTAINE, George R.	/			
13. JOHANSON, Aaron Ling	/			
<b>TOTAL (13)</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) _____ did not support recommendation.				
Vice Chair's or designee's signature:				
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