
A BILL FOR AN ACT

RELATING TO HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 87A-23, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§87A-23 Health benefits plan supplemental to medicare.**

4 (a) The board shall establish a health benefits plan, which
5 takes into account benefits available to an employee-beneficiary
6 and spouse under medicare, subject to the following conditions:

7 (1) There shall be no duplication of benefits payable
8 under medicare. The plan under this section, which
9 shall be secondary to medicare, when combined with
10 medicare and any other plan to which the health
11 benefits plan is subordinate under the National
12 Association of Insurance Commissioners' coordination
13 of benefit rules, shall provide benefits that
14 approximate those provided to a similarly situated
15 beneficiary not eligible for medicare;

16 (2) The State, through the department of budget and
17 finance, and the counties, through their respective
18 departments of finance, shall pay to the fund a



1 contribution equal to an amount not less than the
2 medicare part B premium, for each of the following who
3 are enrolled in the medicare part B medical insurance
4 plan: (A) an employee-beneficiary who is a retired
5 employee, (B) an employee-beneficiary's spouse while
6 the employee-beneficiary is living, and (C) an
7 employee-beneficiary's spouse, after the death of the
8 employee-beneficiary, if the spouse qualifies as an
9 employee-beneficiary. For purposes of this section, a
10 "retired employee" means retired members of the
11 employees' retirement system; county pension system;
12 or a police, firefighters, or bandsmen pension system
13 of the State or a county as set forth in chapter 88.
14 If the amount reimbursed by the fund under this
15 section is less than the actual cost of the medicare
16 part B medical insurance plan due to an increase in
17 the medicare part B medical insurance plan rate, the
18 fund shall reimburse each employee-beneficiary and
19 employee-beneficiary's spouse for the cost increase
20 within thirty days of the rate change. Each employee-
21 beneficiary and employee-beneficiary's spouse who
22 becomes entitled to reimbursement from the fund for



1 medicare part B premiums after July 1, 2006, shall
2 designate a financial institution account into which
3 the fund shall be authorized to deposit
4 reimbursements. This method of payment may be waived
5 by the fund if another method is determined to be more
6 appropriate;

7 (3) The benefits available under this plan, when combined
8 with benefits available under medicare or any other
9 coverage or plan to which this plan is subordinate
10 under the National Association of Insurance
11 Commissioners' coordination of benefit rules, shall
12 approximate the benefits that would be provided to a
13 similarly situated employee-beneficiary not eligible
14 for medicare;

15 (4) All employee-beneficiaries or dependent-beneficiaries
16 who are eligible to enroll in the medicare part B
17 medical insurance plan shall enroll in that plan as a
18 condition of receiving contributions and participating
19 in benefits plans under this chapter. This paragraph
20 shall apply to retired employees, their spouses, and
21 the surviving spouses of deceased retirees and
22 employees killed in the performance of duty; and



1 (5) The board shall determine which of the employee-
 2 beneficiaries and dependent-beneficiaries, who are not
 3 enrolled in the medicare part B medical insurance
 4 plan, may participate in the plans offered by the
 5 fund.

6 (b) After July 1, , the State shall not pay to the
 7 fund amounts for an employee-beneficiary or an employee-
 8 beneficiary's spouse if the employee-beneficiary or employee-
 9 beneficiary's spouse was not enrolled as a member of the fund or
 10 predecessor entity, nor shall an employee-beneficiary or the
 11 employee-beneficiary's spouse who was not enrolled as a member
 12 of the fund or predecessor entity be entitled to any medicare
 13 part B reimbursement under this section."

14 SECTION 2. New statutory material is underscored.

15 SECTION 3. This Act shall take effect on July 1, 2014.

16 INTRODUCED BY: B. J. Koguchi

JAN 14 2014



H.B. NO. 1677

Report Title:

Hawaii Employer-Union Health Benefits Trust Fund; Medicare

Description:

Prohibits the EUTF from paying medicare part B reimbursements to retired public employees and spouses who did not receive health benefits with the State during the period of the employee's employment.

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