

S.B. NO. 2839

JAN 27 2016

A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST
FUND.

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

1 SECTION 1. The purpose of this Act is to amend the
2 definition of "dependent-beneficiary" contained in chapter 87A,
3 Hawaii Revised Statutes, to clarify eligibility of children for
4 participation in fund benefit plans and to bring the definition
5 of "dependent-beneficiary" into conformance with the federal
6 Patient Protection and Affordable Care Act.

7 SECTION 2. The Hawaii employer-union health benefits trust
8 fund offers health benefits to the children of state and county
9 employees and retirees. Due to the current construction of
10 chapter 87A, when an employee or retiree passes away, children
11 of the employee's or retiree's surviving spouse that were born
12 after the employee's or retiree's death are eligible to
13 participate in benefits plans offered by the fund. The
14 legislature finds that children born after an employee's or
15 retiree's death, that are not the natural child of the deceased
16 employee or retiree, should not be eligible to participate in
17 fund benefits plans because such children were not the children

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1 of the state or county employee or retiree. The legislature
2 also finds that the definition of "dependent-beneficiary" should
3 be amended to be consistent with the federal Patient Protection
4 and Affordable Care Act, which prohibits restricting health
5 insurance coverage to only unmarried dependents and denying
6 health insurance coverage to married dependents.

7 SECTION 3. Section 87A-1, Hawaii Revised Statutes, is
8 amended by amending the definition of "dependent-beneficiary" to
9 read as follows:

10 "Dependent-beneficiary" means an employee-beneficiary's:

11 (1) Spouse;

12 (2) ~~[Unmarried child]~~ Child deemed eligible by the board,
13 including a legally adopted child, stepchild, foster
14 child, or recognized natural child who lives with the
15 employee-beneficiary[+], but excluding a child born
16 more than ten months after the death of an employee
17 killed in the performance of duty, born more than ten
18 months after the death of an active employee who was
19 eligible to retire on the date of death, or born more
20 than ten months after the date of death of a retired
21 employee-beneficiary; and

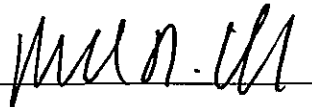
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1 (3) Unmarried child regardless of age who is incapable of
2 self-support because of a mental or physical
3 incapacity, which existed prior to the unmarried
4 child's reaching the age of nineteen years."

5 SECTION 4. This Act does not affect the rights that
6 accrued before the effective date of this Act.

7 SECTION 5. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 6. This Act, upon its approval, shall take effect
10 on July 1, 2016.

11
12 INTRODUCED BY: 
13 BY REQUEST
14

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Report Title:

Hawaii Employer-Union Health Benefits Trust Fund

Description:

Amends the definition of "dependent-beneficiary."

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND.

PURPOSE: To amend the definition of "dependent-beneficiary."

MEANS: Amend section 87A-1, Hawaii Revised Statutes.

JUSTIFICATION: The Employer-Union Health Benefits Trust Fund ("EUTF") has recently discovered that when active employees and retirees pass away and their surviving spouses are covered under EUTF benefit plans, the surviving spouses occasionally add dependent children to the plan that are not natural children of the deceased employees and retirees. EUTF believes that the Legislature never intended to cover children who are not the natural children of deceased employees and retirees. This amendment excludes from EUTF plan eligibility children who are not the natural children of deceased state and county employees and retirees.

Impact on the public: The children of surviving spouses of deceased state and county employees and retirees who are born more than ten months after the deaths of such state or county employees and retirees will not be eligible for participation in fund health benefits plans.

Impact on the department and other agencies: None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED

AGENCIES:

None.

EFFECTIVE DATE:

July 1, 2016.