
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. With the escalation of health care costs and
2 increased life expectancy, it becomes evermore evident that
3 secure retirement benefits are essential to financial security
4 at the end of people's careers. The legislature recognizes the
5 importance of ensuring that public employees retain the
6 retirement benefits they have earned through a lifetime of
7 public service. Retirement benefits provide valuable protection
8 to retirees against outliving their savings and other sources of
9 retirement income.

10 The legislature believes that it is necessary to modify an
11 existing rule that penalizes retirees by limiting the amount of
12 income-adjusted medicare part B premium reimbursements to
13 retirees and qualified spouses based on the time the adjustment
14 request is made to the Hawaii employer-union health benefits
15 trust fund.



1 The purpose of this Act is to prohibit the withholding of
2 any retroactive reimbursement to a retired employee-beneficiary
3 and qualified employee-beneficiary's spouse for an income-
4 adjusted medicare part B premium based on the time in which the
5 adjustment request is made to the Hawaii employer-union health
6 benefits trust fund.

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

9 "**§87A-23 Health benefits plan supplemental to medicare.**

10 The board shall establish a health benefits plan, which takes
11 into account benefits available to an employee-beneficiary and
12 spouse under medicare, subject to the following conditions:

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



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



1 employee-beneficiary's spouse for the cost increase
2 within thirty days of the rate change. Each employee-
3 beneficiary and employee-beneficiary's spouse who
4 becomes entitled to reimbursement from the fund for
5 medicare part B premiums after July 1, 2006, shall
6 designate a financial institution account into which
7 the fund shall be authorized to deposit
8 reimbursements. This method of payment may be waived
9 by the fund if another method is determined to be more
10 appropriate;

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

19 (4) All employee-beneficiaries or dependent-beneficiaries
20 who are eligible to enroll in the medicare part B
21 medical insurance plan shall enroll in that plan as a



1 condition of receiving contributions and participating
2 in benefits plans under this chapter. This paragraph
3 shall apply to retired employees, their spouses, and
4 the surviving spouses of deceased retirees and
5 employees killed in the performance of duty; ~~and~~

6 (5) The board shall determine which of the employee-
7 beneficiaries and dependent-beneficiaries, who are not
8 enrolled in the medicare part B medical insurance
9 plan, may participate in the plans offered by the
10 fund[-]; and

11 (6) Notwithstanding any law to the contrary, the fund
12 shall not withhold, based on the time in which an
13 employee-beneficiary or employee-beneficiary's spouse
14 submits a request for and proof of an income-adjusted
15 medicare part B premium to the fund, any retroactive
16 reimbursement that would otherwise have been payable
17 at any time after June 30, 2013, to an employee-
18 beneficiary or qualified employee-beneficiary's spouse
19 for an income-adjusted medicare part B premium. The
20 board shall notify the employee-beneficiary and
21 employee-beneficiary's spouse in cases where no



1 reimbursement request for and proof of an income-
2 adjusted medicare part B premium is received by the
3 fund from the employee-beneficiary or employee-
4 beneficiary's spouse. Notification to the employee-
5 beneficiary and employee-beneficiary's spouse shall
6 include instructions for making a reimbursement
7 request for an income-adjusted medicare part B
8 premium."

9 SECTION 3. If any provision of this Act, or the
10 application thereof to any person or circumstance, is held
11 invalid, the invalidity does not affect other provisions or
12 applications of the Act that can be given effect without the
13 invalid provision or application, and to this end the provisions
14 of this Act are severable.

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect upon its approval.

18 INTRODUCED BY:



H.B. NO. 2466

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H.B. NO. 2466

Report Title:

Medicare Part B Premium; Income-Adjusted Reimbursements

Description:

Prohibits the Hawaii Employer-Union Health Benefits Trust Fund (Fund) from withholding any retroactive reimbursement payable after June 30, 2013, to a retired employee-beneficiary and qualified employee-beneficiary's spouse for an income-adjusted Medicare Part B premium based on the time in which the adjustment request is made to the Fund. Establishes notice requirements.

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