

JAN 19 2018

A BILL FOR AN ACT

RELATING TO HEALTH.

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 The board shall establish a health benefits plan, which takes
5 into account benefits available to an employee-beneficiary and
6 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



1 departments of finance, shall pay to the fund a
2 contribution equal to an amount not less than the
3 medicare part B premium, and the medicare part D
4 premium effective July 1, 2018, for each of the
5 following who are enrolled in the medicare part B
6 [~~medical~~] or part D insurance plan: (A) an employee-
7 beneficiary who is a retired employee, (B) an
8 employee-beneficiary's spouse while the employee-
9 beneficiary is living, and (C) an employee-
10 beneficiary's spouse, after the death of the employee-
11 beneficiary, if the spouse qualifies as an employee-
12 beneficiary. For purposes of this section, a "retired
13 employee" means retired members of the employees'
14 retirement system; county pension system; or a police,
15 firefighters, or bandsmen pension system of the State
16 or a county as set forth in chapter 88. If the amount
17 reimbursed by the fund under this section is less than
18 the actual cost of the medicare part B [~~medical~~] or
19 part D insurance plan due to an increase in the
20 medicare part B [~~medical~~] or part D insurance plan
21 rate, the fund shall reimburse each employee-



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



that plan as a condition of receiving contributions and participating in benefits plans under this chapter. This paragraph shall apply to retired employees, their spouses, and the surviving spouses of deceased retirees and employees killed in the performance of duty; and

(5) The board shall determine which of the employee-beneficiaries and dependent-beneficiaries, who are not enrolled in the medicare part B [~~medical~~] or part D insurance plan, may participate in the plans offered by the fund."

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

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

INTRODUCED BY:

James Mercado K.

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S.B. NO. 2064

Report Title:

Health Benefits Plans; Medicare Supplement Plans; Medicare Part D

Description:

Requires health benefit plans supplemental to Medicare to include contributions equal to Medicare part D premiums effective 7/1/2018, in addition to Medicare part B premiums.

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