
A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
MEDICARE PART B PREMIUM REIMBURSEMENT.

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

1 SECTION 1. The legislature finds that the State and
2 counties reimburse retirees and their spouses medicare part B
3 premiums including income related monthly adjustment amounts
4 (IRMAA). An IRMAA is added to the monthly medicare part B
5 standard premium amount of \$148.50 for 2021 if the retiree's
6 annual federal tax return income two years prior was over a
7 certain threshold. For example, the following are the income
8 thresholds applied to the 2019 federal tax return income to
9 determine 2021 medicare part B premiums and the number of state
10 retirees and spouses in each group:

State retiree individual (joint) federal tax return income thresholds	Retirees	Spouses	Total	Monthly Premium
Less than or equal to \$88,000 (2X)	30,042	9,841	39,883	\$148.50
Greater than \$88,000 (2X) and less than or equal to \$111,000 (2X)	1,254	410	1,664	\$207.60



Greater than \$111,000 (2X) and less than or equal to \$138,000 (2X)	771	269	1,040	\$297.00
Greater than \$138,000 (2X) and less than or equal to \$165,000 (2X)	330	123	453	\$386.10
Greater than \$165,000 (2X) and less than \$500,000 (\$750,000)	505	188	693	\$475.20
Greater than or equal to \$500,000 (\$750,000)	49	34	83	\$504.90
Total IRMAA retirees and spouses	2,909	1,024	3,933	
Estimated annual IRMAA costs	\$5,393,520	\$2,003,274	\$7,396,794	
Total retirees and spouses	32,951	10,865	43,816	
Estimated total annual medicare part B	\$59,125,259	\$20,062,303	\$79,187,562	
Percentage of IRMAA retirees and spouses	8.8%	9.4%	9.0%	
Percentage of IRMAA dollars	9.1%	10.0%	9.3%	

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2 The Hawaii employer-union health benefits trust fund estimates
3 elimination of reimbursement of IRMAA for new hires on or after
4 July 1, 2022, will reduce future state annual required
5 contributions by \$430,000,000 over a thirty-year period.



1 Current retirees; vested, terminated employees; and current
2 employees will not be impacted by this Act.

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

5 **"§87A-23 Health benefits plan supplemental to medicare.**

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

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

18 (2) The State, through the department of budget and
19 finance, and the counties, through their respective
20 departments of finance, shall pay to the fund a
21 contribution equal to an amount not less than the



1 medicare part B premium, excluding medicare income
2 related monthly adjustment amounts for retired
3 employees hired after June 30, 2022, and their
4 spouses, for each of the following who are enrolled in
5 the medicare part B medical insurance plan: (A) an
6 employee-beneficiary who is a retired employee, (B) an
7 employee-beneficiary's spouse while the employee-
8 beneficiary is living, and (C) an employee-
9 beneficiary's spouse, after the death of the employee-
10 beneficiary, if the spouse qualifies as an employee-
11 beneficiary. For purposes of this section, a "retired
12 employee" means retired members of the employees'
13 retirement system; county pension system; or a police,
14 firefighters, or bandsmen pension system of the State
15 or a county as set forth in chapter 88. If the amount
16 reimbursed by the fund under this section is less than
17 the actual cost of the medicare part B medical
18 insurance plan, excluding medicare income related
19 monthly adjustment amounts for retired employees hired
20 after June 30, 2022, and their spouses, due to an
21 increase in the medicare part B medical insurance plan



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

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

20 (4) All employee-beneficiaries or dependent-beneficiaries
21 who are eligible to enroll in the medicare part B



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

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

12 SECTION 3. This Act does not affect rights and duties that
13 matured, penalties that were incurred, and proceedings that were
14 begun before its effective date.

15 SECTION 4. New statutory material is underscored.

16 SECTION 5. This Act shall take effect on December 25,
17 2040.



H.B. NO. 2102 H.D. 1

Report Title:

Hawaii Employer-Union Health Benefits Trust Fund Medicare Part B
Premium Reimbursement

Description:

Excludes medicare income related monthly adjustment amounts
reimbursement by the State and counties for retired employees
hired after June 30, 2022, and their spouses. Effective
12/25/2040. (HD1)

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not legislation or evidence of legislative intent.*

