

STAND. COM. REP. NO. **2436**

Honolulu, Hawaii

FEB 15 2024

RE: S.B. No. 3217

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred S.B. No. 3217 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Hawaii Employer-Union Health Benefits Trust Fund base composite monthly contribution to be adjusted annually beginning January 1, 2025, by increasing the contribution in effect on January 1, 2024 by 5.2 percent, and thereafter based on the changes in Medicare Part B premiums for the previous plan year.

Your Committee received testimony in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that the State's and counties' contribution to retiree health care benefits as an employer is based on a percentage of the Base Composite Monthly Contribution (BMC). The BMC changes each calendar year based on the change in Medicare Part B Premiums, which is a measure of national health care inflation. In some years, the publication of the next year's Medicare Part B premium occurs in early November, while the Hawaii Employer-Union Health Benefits Trust Fund conducts retiree open enrollment during the last two weeks of October. As a result, in some years, retirees may need to determine whether to enroll in the program without knowing the amount of their employer's



contribution. This measure will benefit current and future retirees by creating a lag between the BMC changes and the open enrollment period.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3217 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,



HENRY J.C. AQUINO, Chair



