STAND. COM. REP. NO. 2436

Honolulu, Hawaii

FEB 1 5 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. Aduino, Cha

The Senate Thirty-Second Legislature State of Hawai'i

Record of Votes Committee on Labor and Technology LBT

Bill / Resolution No.:*	Committee Referral:		Da	Date: 2/12/24	
B 3217	LBT, WAM			712/24	,
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
AQUINO, Henry J.C. (C)		Χ			
MORIWAKI, Sharon Y. (VC)		×			
IHARA, Jr., Les		×			
LEE, Chris					X
FEVELLA, Kurt		X			
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TOTAL	_	4			
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original File with Committee R	Yellow Pink Goldenrod Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes