



GOV. MSG. NO. 772

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

April 19, 2007

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fourth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on April 19, 2007, the following bill was signed into law:

HB1294

A BILL FOR AN ACT RELATING TO THE HAWAII  
EMPLOYER-UNION HEALTH BENEFITS TRUST  
FUND.  
(ACT 026)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

Approved by the Governor  
on APR 19 2007

**ACT 026**

**H.B. NO. 1294**

---

---

**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. Section 87A-33, Hawaii Revised Statutes, is  
2 amended to read as follows:
- 3           "§87A-33 State and county contributions; retired  
4 employees. (a) Notwithstanding any law to the contrary, this  
5 section shall apply to state and county contributions to the  
6 fund for:
- 7           (1) The dependent-beneficiary of an employee who is killed  
8           in the performance of duty;
- 9           (2) A dependent-beneficiary, upon the death of the  
10           employee-beneficiary, except as provided in  
11           section 87A-36;
- 12           (3) An employee-beneficiary who retired after June 30,  
13           1984, due to a disability falling within sections 88-  
14           79 and 88-285;
- 15           (4) An employee-beneficiary who retired before July 1,  
16           1984;
- 17           (5) An employee-beneficiary who:

H.B. NO. 1294

- 1 (A) Was hired before July 1, 1996;
- 2 (B) Retired after June 30, 1984; and
- 3 (C) Who has ten years or more of credited service,
- 4 excluding sick leave;

5 (6) An employee-beneficiary who:

- 6 (A) Was hired after June 30, 1996; and
- 7 (B) Retired with twenty-five or more years of
- 8 credited service, excluding sick leave, except as
- 9 provided in section 87A-36; and

10 (7) Employees who retired prior to 1961 and their

11 dependent-beneficiaries.

12 (b) Effective July 1, 2003, there is established a base

13 monthly contribution for health benefit plans that the State,

14 through the department of budget and finance, and the counties,

15 through their respective departments of finance, shall pay to

16 the fund, up to the following:

- 17 (1) \$218 for each employee-beneficiary enrolled in
- 18 supplemental medicare self plans;
- 19 (2) \$671 for each employee-beneficiary enrolled in
- 20 supplemental medicare family plans;
- 21 (3) \$342 for each employee-beneficiary enrolled in non-
- 22 medicare self plans; and

1           (4) \$928 for each employee-beneficiary enrolled in non-  
2            medicare family plans.

3            The monthly contribution by the State or county shall not  
4    exceed the actual cost of the health benefits plan or plans. If  
5    both husband and wife are employee-beneficiaries, the total  
6    contribution by the State or county shall not exceed the monthly  
7    contribution for a supplemental medicare family or non-medicare  
8    family plan, as appropriate.

9           (c) Effective July 1, 2004, there is established a base  
10   monthly contribution for health benefit plans that the State,  
11   through the department of budget and finance, and the counties,  
12   through their respective departments of finance, shall pay to  
13   the fund, up to the following:

- 14           (1) \$254 for each employee-beneficiary enrolled in  
15            supplemental medicare self plans;
- 16           (2) \$787 for each employee-beneficiary enrolled in  
17            supplemental medicare family plans;
- 18           (3) \$412 for each employee-beneficiary enrolled in non-  
19            medicare self plans; and
- 20           (4) \$1,089 for each employee-beneficiary enrolled in non-  
21            medicare family plans.

H.B. NO. 1294

1           The monthly contribution by the State or county shall not  
2 exceed the actual cost of the health benefit plan or plans and  
3 shall not be required to cover increased benefits above those  
4 initially contracted for by the fund for plan year 2004-2005.  
5 If both husband and wife are employee-beneficiaries, the total  
6 contribution by the State or county shall not exceed the monthly  
7 contribution for a supplemental medicare family or non-medicare  
8 family plan, as appropriate.

9           (d) The base composite monthly contribution shall be  
10 adjusted annually, beginning July 1, 2005. The adjusted base  
11 composite monthly contribution for each new plan year (July 1  
12 until June 30) shall be calculated by increasing or decreasing  
13 the base composite monthly contribution in effect through the  
14 end of the previous plan year by the percentage increase or  
15 decrease in the medicare part B premium rate for those years,  
16 which percentage shall be calculated by dividing the medicare  
17 part B premium rate in effect at the beginning of the new plan  
18 year by the rate in effect at the beginning of the previous plan  
19 year.

20           For the plan year beginning July 1, 2005, the adjusted base  
21 monthly contribution shall be computed using the actual  
22 contracted premium rate as of July 1, 2004, for medicare and

H.B. NO. 1294

1 non-medicare, self and family health benefits plans with the  
2 highest actual contracted premium rate as of July 1, 2004.

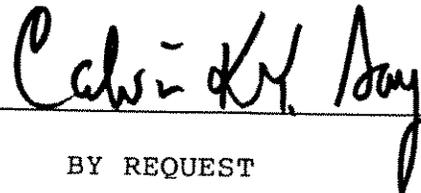
3 As used in this subsection, "medicare part B premium rate"  
4 means the rate published in the Federal Register each year on  
5 November 1 or on the business day closest to November 1 of each  
6 year after the medicare part B premium rate has been established  
7 by the Secretary of Health and Human Services and approved by  
8 the United States Congress.

9 (e) If the board adopts a rate structure that provides for  
10 other than self and family rates for the health benefit plans,  
11 the base monthly contribution for the rate structure adopted by  
12 the board shall be adjusted to provide the equivalent  
13 underwriting cost as the base monthly contribution that is  
14 provided for in this section."

15 SECTION 2. New statutory material is underscored.

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

17  
18 INTRODUCED BY:



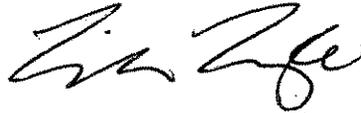
19 BY REQUEST

20 JAN 22 2007

H.B. NO. 1294

---

APPROVED this 19 day of APR ,2007



GOVERNOR OF THE STATE OF HAWAII