



GOV. MSG. NO. 1138

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 20, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

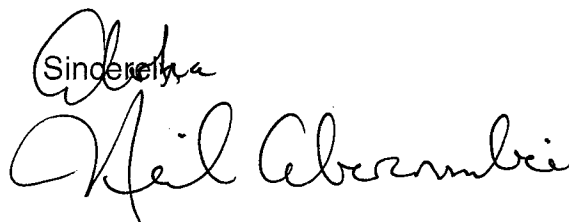
Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on April 20, 2012, the following bill was signed into law:

HB2492 HD1

RELATING TO THE HAWAII EMPLOYER-UNION
HEALTH BENEFITS TRUST FUND.

Act 038 (12)

Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

Approved by the Governor.

on APR 20 2012

HOUSE OF REPRESENTATIVES
TWENTY-SIXTH LEGISLATURE, 2012
STATE OF HAWAII

ACT 038
H.B. NO. 2492
H.D. 1

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 section
11 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:



- 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.



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



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) The base composite monthly contribution shall be
10 adjusted annually, beginning January 1, 2013. The adjusted base
11 composite monthly contribution for each new plan year (January 1
12 until December 31) shall be calculated by increasing or
13 decreasing the base composite monthly contribution in effect
14 through the end of the previous plan year by the percentage
15 increase or decrease in the medicare part B premium rate for
16 those years, which percentage shall be calculated by dividing
17 the medicare part B premium rate in effect at the beginning of
18 the new plan year by the rate in effect at the beginning of the
19 previous plan year.

20 For the plan year beginning January 1, 2013, the adjusted
21 base monthly contribution shall be computed using the base
22 composite monthly contribution as of July 1, 2012.



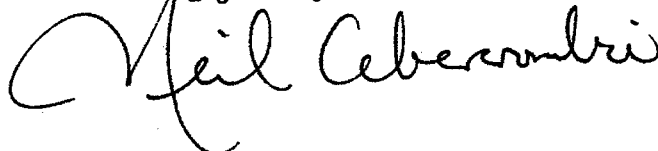
1 As used in this subsection, "medicare part B premium rate"
2 means the rate published in the Federal Register each year on
3 November 1 or on the business day closest to November 1 of each
4 year after the medicare part B premium rate has been established
5 by the United States Secretary of Health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

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

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

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

APPROVED this 20 day of APR, 2012



GOVERNOR OF THE STATE OF HAWAII

