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# 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  
14           88-79 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       ~~(e)]~~ (b) Effective [July] January 1, [2004,] 2014, there  
10       is established a base monthly contribution for health benefit  
11       plans that the State, through the department of budget and  
12       finance, and the counties, through their respective departments  
13       of finance, shall pay to the fund, up to the following:

14       (1) [~~\$254~~] \$524.73 for each employee-beneficiary enrolled  
15       in supplemental medicare self plans;

16       (2) [~~\$787~~] \$1,051.70 for each employee-beneficiary  
17       enrolled in supplemental medicare [~~family~~] two-party  
18       plans;

19       (3) [~~\$412~~] \$1,531.78 for each employee-beneficiary  
20       enrolled in [~~non-medicare self~~] supplemental medicare  
21       family plans; [~~and~~]



- 1 (4) ~~[\$1,089]~~ \$736.60 for each employee-beneficiary
- 2 enrolled in non-medicare [~~family~~] self plans[-];
- 3 (5) \$1,484.72 for each employee-beneficiary enrolled in
- 4 non-medicare two-party plans; and
- 5 (6) \$2,173.06 for each employee-beneficiary enrolled in
- 6 non-medicare family plans.

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

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



1 ~~part B premium rate in effect at the beginning of the new plan~~  
2 ~~year by the rate in effect at the beginning of the previous plan~~  
3 ~~year.~~

4 ~~For the plan year beginning July 1, 2005, the adjusted base~~  
5 ~~monthly contribution shall be computed using the actual~~  
6 ~~contracted premium rate as of July 1, 2004, for medicare and~~  
7 ~~non-medicare, self and family health benefits plans with the~~  
8 ~~highest actual contracted premium rate as of July 1, 2004.~~

9 ~~As used in this subsection, "medicare part B premium rate"~~  
10 ~~means the rate published in the Federal Register each year on~~  
11 ~~November 1 or on the business day closest to November 1 of each~~  
12 ~~year after the medicare part B premium rate has been established~~  
13 ~~by the Secretary of Health and Human Services and approved by~~  
14 ~~the United States Congress.~~

15 ~~(e)]~~ (c) The base composite monthly contribution shall be  
16 adjusted annually, beginning January 1, ~~[2013.]~~ 2015. The  
17 adjusted base composite monthly contribution for each new plan  
18 year (January 1 until December 31) shall be calculated by  
19 increasing or decreasing the base composite monthly contribution  
20 in effect through the end of the previous plan year by the  
21 percentage increase or decrease in the medicare part B premium  
22 rate for those years, which percentage shall be calculated by



1 dividing the medicare part B premium rate in effect at the  
2 beginning of the new plan year by the rate in effect at the  
3 beginning of the previous plan year.

4 ~~[For the plan year beginning January 1, 2013, the adjusted~~  
5 ~~base monthly contribution shall be computed using the base~~  
6 ~~composite monthly contribution as of July 1, 2012.]~~

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

13 ~~[(f)]~~ (d) If the board adopts a rate structure that  
14 provides for other than self and family rates for the health  
15 benefit plans, the base monthly contribution for the rate  
16 structure adopted by the board shall be adjusted to provide the  
17 equivalent underwriting cost as the base monthly contribution  
18 that is provided for in this section."

19 SECTION 2. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21 SECTION 3. This Act shall take effect on January 1, 2014.



**Report Title:**

Hawaii Employer-union Health Benefits Trust Fund; Retired Employees; State and County Contributions

**Description:**

Sets the base monthly contributions for health benefit plans, including two-party plans, paid by the State and counties for retired employees to specified amounts beginning 01/01/14. Effective 01/01/14. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

