A BILL FOR AN ACT

RELATING TO MEDICARE PART B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. With the escalation of health care costs and increased life expectancy, it has become increasingly evident that secure retirement benefits are essential to financial security at the end of people's careers. The legislature recognizes the importance of ensuring that public employees retain the retirement benefits they have earned through a lifetime of public service. Retirement benefits provide valuable protection to retirees against outliving their savings and other sources of retirement income.

The legislature believes that adequate and individual notice to retirees that they may be eligible for reimbursement of cost-adjusted medicare part B premiums is an important measure to maximize retiree benefits and ensure that retirees receive the full value of the benefits that they are entitled to.

The legislature further believes that all members who are entitled to reimbursement should not be denied their
reimbursement for failure to file a claim within a certain time period.

The purpose of this Act is to:

(1) Provide members of the Hawaii employer-union health benefits trust fund with individual actual notice in instances where medicare part B claims are not filed; and

(2) Allow members to file a claim for reimbursement at any time.

SECTION 2. Section 87A-23, Hawaii Revised Statutes, is amended to read as follows:

"§87A-23 Health benefits plan supplemental to medicare. The board shall establish a health benefits plan, which takes into account benefits available to an employee-beneficiary and spouse under medicare, subject to the following conditions:

(1) There shall be no duplication of benefits payable under medicare. The plan under this section, which shall be secondary to medicare, when combined with medicare and any other plan to which the health benefits plan is subordinate under the National Association of Insurance Commissioners' coordination
of benefit rules, shall provide benefits that approximate those provided to a similarly situated beneficiary not eligible for medicare;

(2) The State, through the department of budget and finance, and the counties, through their respective departments of finance, shall pay to the fund a contribution equal to an amount not less than the medicare part B premium, for each of the following who are enrolled in the medicare part B medical insurance plan: (A) an employee-beneficiary who is a retired employee, (B) an employee-beneficiary's spouse while the employee-beneficiary is living, and (C) an employee-beneficiary's spouse, after the death of the employee-beneficiary, if the spouse qualifies as an employee-beneficiary. For purposes of this section, a "retired employee" means retired members of the employees' retirement system; county pension system; or a police, firefighters, or bandsmen pension system of the State or a county as set forth in chapter 88. If the amount reimbursed by the fund under this section is less than the actual cost of the medicare
part B medical insurance plan due to an increase in
the medicare part B medical insurance plan rate, the
fund shall reimburse each employee-beneficiary and
employee-beneficiary's spouse for the cost increase
within thirty days of the rate change. Each employee-
beneficiary and employee-beneficiary's spouse who
becomes entitled to reimbursement from the fund for
medicare part B premiums after July 1, 2006, shall
designate a financial institution account into which
the fund shall be authorized to deposit
reimbursements. This method of payment may be waived
by the fund if another method is determined to be more
appropriate;

(3) The benefits available under this plan, when combined
with benefits available under medicare or any other
coverage or plan to which this plan is subordinate
under the National Association of Insurance
Commissioners' coordination of benefit rules, shall
approximate the benefits that would be provided to a
similarly situated employee-beneficiary not eligible
for medicare;
(4) All employee-beneficiaries or dependent-beneficiaries who are eligible to enroll in the medicare part B medical insurance plan shall enroll in that plan as a condition of receiving contributions and participating in benefits plans under this chapter. This paragraph shall apply to retired employees, their spouses, and the surviving spouses of deceased retirees and employees killed in the performance of duty; [and]

(5) The board shall determine which of the employee-beneficiaries and dependent-beneficiaries, who are not enrolled in the medicare part B medical insurance plan, may participate in the plans offered by the fund; and

(6) The board shall notify the employee-beneficiary and employee-beneficiary's spouse in cases where no reimbursement request for and proof of an income-adjusted medicare part B premium is received by the fund from the employee-beneficiary or employee-beneficiary's spouse. Notification to the employee-beneficiary and employee-beneficiary's spouse shall include instructions for making a reimbursement
request for an income-adjusted medicare part B

premium. Notifications shall be sent by registered
mail to the employee-beneficiary's or employee-
beneficiary's spouse's address of record."

SECTION 3. Section 87A-31, Hawaii Revised Statutes, is
amended to read as follows:

"§87A-31 Trust fund; purpose. (a) The fund shall be used
to provide employee-beneficiaries and dependent-beneficiaries
with health and other benefit plans, and to pay administrative
and other expenses of the fund. All assets of the fund are and
shall be dedicated to providing health and other benefits plans
to the employee-beneficiaries and dependent-beneficiaries in
accordance with the terms of those plans and to pay
administrative and other expenses of the fund, and shall be used
for no other purposes except for those set forth in this
section.

(b) The fund, including any earnings on investments, and
rate credits or reimbursements from any carrier or self-insured
plan and any earning or interest derived therefrom, may be used
to stabilize health and other benefit plan rates; provided that
the approval of the governor and the legislature shall be
necessary to fund administrative and other expenses necessary to
effectuate these purposes.

(c) The fund may be used to provide group life insurance
benefits to employees to the extent that contributions are
provided for group life insurance benefits in sections 87A-32
and 87A-37.

(d) The fund may assist the State and the counties to
implement and administer cafeteria plans authorized under Title
26 United States Code section 125, the Internal Revenue Code of
1986, as amended, and section 78-30.

(e) At the discretion of the board, some or all of the
fund may be used as a reserve against or to pay the fund's
future costs of providing health and other benefits plans
established under sections 87A-23 and 87A-37 and any other
benefits plans the board establishes for retired employees and
their beneficiaries. The board may create separate funds within
the fund for this purpose. Each separate fund shall be subject
to all of the provisions of this chapter.

(f) If after commencing the reimbursement of medicare part
B premiums in section 87A-23, or any other debt payable under
this chapter, the fund cannot locate the employee-beneficiary or
other person or entity entitled to payment, further payment shall be forfeited to the fund if the total amount is less than $500 and shall not escheat under the laws of any state; provided that the forfeited payment shall be restored if the employee-beneficiary, or other person or entity entitled to the forfeited payment makes a proper application to the fund for restoration of the benefit [no later than ten years following the last valid reimbursement or payment]. All applications for restoration of a forfeited benefit or payment shall be in a form satisfactory to the fund. [For forfeited benefits or payments in existence on June 30, 2017, the ten-year time limitation on claiming the benefits or payments shall commence on July 1, 2017.]

(g) An employee-beneficiary's claim or the claim of any other person or entity entitled to reimbursement shall not lapse. All forfeited benefits or payments denied because of a failure to file in a timely manner that are in existence on June 30, 2019, shall be available to be claimed by an employee-beneficiary or other person or entity entitled to payment."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.
SECTION 5. This Act shall take effect on July 1, 2019.

INTRODUCED BY: [Signatures]

JAN 24 2019
Report Title:
Medicare Part B; Reimbursement; Notification; EUTF

Description:
Requires the board to send actual, individual notice via registered mail to EUTF members that they may be eligible for reimbursement of cost-adjusted Medicare Part B premium payments. Establishes claims for reimbursement as evergreen.

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