A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND COMPLIANCE WITH FEDERAL AND STATE LAWS.

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

SECTION 1. The legislature finds that the definition of "dependent-beneficiary" in section 87A-1, Hawaii Revised Statutes, should be amended to be consistent with the federal Patient Protection and Affordable Care Act of 2010, which prohibits restricting health insurance coverage to only unmarried dependents and dependents who live with the employee-beneficiary, and denying health insurance coverage to married dependents and dependents who do not live with the employee-beneficiary. The legislature further finds that chapter 87A, Hawaii Revised Statutes, should be amended to be consistent with chapter 572B, Hawaii Revised Statutes, regarding civil unions.

The purposes of this Act are to:

(1) Bring the definition of "dependent-beneficiary" into conformance with the federal Patient Protection and Affordable Care Act of 2010; and

(2) Bring references to marriages into conformance with chapter 572B, Hawaii Revised Statutes.
SECTION 2. Section 87A-1, Hawaii Revised Statutes, is amended by amending the definition of "dependent-beneficiary" to read as follows:

"Dependent-beneficiary" means an employee-beneficiary's:

(1) Spouse;

(2) [Unmarried child] Child deemed eligible by the board, including a legally adopted child, stepchild, foster child, or recognized natural child [who lives with the employee-beneficiary and]; and

(3) Unmarried child regardless of age who is incapable of self-support because of a mental or physical incapacity, which existed prior to the unmarried child's reaching the age of nineteen years."

SECTION 3. Section 87A-32, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The State, through the department of budget and finance, and the counties, through their respective departments of finance, shall pay to the fund a monthly contribution equal to the amount established under chapter 89C or specified in the applicable public sector collective bargaining agreements, whichever is appropriate, for each of their respective employee-beneficiaries and employee-beneficiaries with dependent-
beneficiaries, which shall be used toward the payment of costs
of a health benefits plan; provided that:

(1) The monthly contribution shall be a specified dollar
amount;

(2) The monthly contribution shall not exceed the actual
cost of a health benefits plan;

(3) If [both husband and wife are] two employee-
beneficiaries, are married or in a civil union, the
total contribution by the State or the county shall
not exceed the monthly contribution for a family plan;
and

(4) If the State or any of the counties establish
cafeteria plans in accordance with Title 26, United
States Code section 125, the Internal Revenue Code of
1986, as amended, and section 78-30, the monthly
contribution for those employee-beneficiaries who
participate in a cafeteria plan shall be made through
the cafeteria plan, and the payments made by the State
or counties shall include their respective
contributions to the fund and their employee-
beneficiary's share of the cost of the employee-
beneficiary's health benefits plan."

BUF-16 (19)
SECTION 4. Section 87A-33, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Effective January 1, 2014, there is established a base monthly contribution for health benefit plans that the State, through the department of budget and finance, and the counties, through their respective departments of finance, shall pay to the fund, up to the following:

(1) $524.73 for each employee-beneficiary enrolled in supplemental medicare self plans;
(2) $1,051.70 for each employee-beneficiary enrolled in supplemental medicare two-party plans;
(3) $1,531.78 for each employee-beneficiary enrolled in supplemental medicare family plans;
(4) $736.60 for each employee-beneficiary enrolled in non-medicare self plans;
(5) $1,484.72 for each employee-beneficiary enrolled in non-medicare two-party plans; and
(6) $2,173.06 for each employee-beneficiary enrolled in non-medicare family plans.

The monthly contribution by the State or county shall not exceed the actual cost of the health benefit plan or plans and shall not be required to cover increased benefits above those
initially contracted for by the fund for plan year 2004-
2005. If [both husband and wife are] two employee-
beneficiaries, are married or in a civil union, the total
contribution by the State or county shall not exceed the monthly
contribution for a supplemental medicare family or non-medicare
family plan, as appropriate."

SECTION 5. Section 87A-34, Hawaii Revised Statutes, is
amended by amending subsection (b) to read as follows:

"(b) The State, through the department of budget and
finance, and the counties, through their respective departments
of finance, shall pay to the fund a monthly contribution equal
to one-half of the base monthly contribution set forth under
section 87A-33(b) for retired employees enrolled in medicare or
non-medicare health benefits plans. If [both husband and wife
are] two employee-beneficiaries, are married or in a civil
union, the total contribution by the State or county shall not
exceed the monthly contribution for supplemental medicare family
or non-medicare family plan, as appropriate."

SECTION 6. Section 87A-35, Hawaii Revised Statutes, is
amended by amending subsection (c) to read as follows:
"(c) The State, through the department of budget and finance, and the counties, through their respective departments of finance, shall pay to the fund:

(1) For retired employees enrolled in medicare or non-medicare health benefit plans with ten or more years but fewer than fifteen years of service, a monthly contribution equal to one-half of the base monthly contribution set forth under section 87A-33(b); and

(2) For retired employees enrolled in medicare or non-medicare health benefit plans with at least fifteen but fewer than twenty-five years of service, a monthly contribution of seventy-five per cent of the base monthly contribution set forth under section 87A-33(b).

If [both husband and wife are] two employee-beneficiaries, are married or in a civil union, the total contribution by the State or county shall not exceed the monthly contribution for a supplemental medicare family or non-medicare family plan, as appropriate."

SECTION 7. Section 87A-36, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:
"(c) The State, through the department of budget and finance, and the counties, through their respective departments of finance, shall pay to the fund:

(1) For retired employees based on the self plan with ten or more years but fewer than fifteen years of service, a monthly contribution equal to one-half of the base medicare or non-medicare monthly contribution set forth under section 87A-33(b);

(2) For retired employees based on the self plan with at least fifteen but fewer than twenty-five years of service, a monthly contribution equal to seventy-five per cent of the base medicare or non-medicare monthly contribution set forth under section 87A-33(b);

(3) For retired employees based on the self plan with twenty-five or more years of service, a monthly contribution equal to one hundred per cent of the base medicare or non-medicare monthly contribution set forth under section 87A-33(b); and

(4) One-half of the monthly contributions for the employee-beneficiary or employee-beneficiary with dependent-beneficiaries upon the death of the
employee, as defined in paragraph (1)(D) of the
definition of "employee" in section 87A-1;

If [both husband and wife are] two employee-beneficiaries,
are married or in a civil union, the total contribution by the
State or county shall not exceed the monthly contribution for
two supplemental medicare self or non-medicare self plans, as
appropriate."

SECTION 8. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 9. This Act, upon its approval, shall take effect
on July 1, 2019.

INTRODUCED BY: ________________

BY REQUEST
JAN 22 2019
Report Title:
Hawaii Employer-Union Health Benefits Trust Fund

Description:
Amends the definition of "dependent-beneficiary" and references to marriages in relation to civil unions.

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

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND COMPLIANCE WITH FEDERAL AND STATE LAWS.

PURPOSE: To amend the definition of "dependent-beneficiary" and references to marriages in relation to civil unions to comply with federal and Hawaii law.

MEANS: Amend sections 87A-1, 87A-32(a), 87A-33(b), 87A-34(b), 87A-35(c), and 87A-36(c), Hawaii Revised Statutes (HRS).

JUSTIFICATION: The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) has found that the definition of a "dependent-beneficiary" should be amended to be consistent with the federal Patient Protection and Affordable Care Act of 2010. In addition, references to marriages should be changed to comply with chapter 572, HRS.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: July 1, 2019.