A BILL FOR AN ACT

RELATING TO MEDICARE PART B.

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

SECTION 1. The legislature finds that 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 further finds that retirees are a financially vulnerable population. A significant portion of retirees are solely dependent on government benefits as their only income source. And with the growing cost of living in the State, retirees are looking for ways to stretch every penny they have.

The legislature believes that adequate and individual notice to employee-beneficiaries and their spouses about their
eligibility for reimbursement of income-related monthly 
adjustment amount medicare part B premiums is an important 
measure to maximize retiree benefits and ensure that retirees 
receive the full value of the benefits to which they are 
entitled. The legislature further believes that employee-
beneficiaries and their spouses should be reimbursed for their 
income-related monthly adjustment amount medicare part B 
premiums without any time limitation to provide the employee-
beneficiaries with as much of the money to which they are 
entitled.

The purpose of this Act is to:

(1) Provide employee-beneficiaries of the Hawaii employer-
union health benefits trust fund, and their spouses, 
with individual actual notice in instances where 
medicare part B claims are not filed; and 
(2) Allow employee-beneficiaries and their spouses to be 
reimbursed for income-related monthly adjustment 
amount medicare part B premiums owed on or after 
January 1, 2015, without any time limitation for 
claiming the reimbursement.
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.

(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-related monthly adjustment amount 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-related monthly adjustment amount medicare part B premium. Notifications shall be sent to the employee-beneficiary's or employee-beneficiary's spouse's address of record by any method of delivery as determined by the board; and

(7) The board shall reimburse an employee-beneficiary and employee-beneficiary's spouse for income-related
monthly adjustment amount medicare part B premiums for which the employee-beneficiary or employee-beneficiary's spouse was eligible on or after January 1, 2015, without a time limitation for claiming the reimbursement."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: Richard Hagon
Ray M. Liddle
Samuel S. Kong
Darwin C. Balle
B. L. Kennedy

JAN 17 2020
Report Title:
Medicare Part B; Notification; Income Related Monthly Adjustment Amount; Premium; Reimbursement; EUTF

Description:
Requires the board to send actual, individual notice via a board approved method of delivery to EUTF members that they may be eligible for reimbursement of income-related monthly adjustment amount (IRMAA) medicare part B premium payments. Allows beneficiaries to be reimbursed for IRMAA part B premiums owed on or after January 1, 2015, without any time limitation for claiming the reimbursement.

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