A BILL FOR AN ACT

RELATING TO HEALTH.

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

SECTION 1. 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
collection equal to an amount not less than the
medicare part B premium, and the medicare part D
premium effective July 1, 2019, for each of the
following who are enrolled in the medicare part B
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 [medicare] or
part D insurance plan due to an increase in the
medicare part B [medicare] or part D 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 or part D 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
[medicare] or part D 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] or part D insurance plan, may participate in the plans offered by the fund."

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 Statutory material to be repealed is bracketed and stricken.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

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

INTRODUCED BY:
Report Title:
Health Benefits Plans; Medicare Supplement Plans; Medicare Part D

Description:
Requires health benefit plans supplemental to Medicare to include contributions equal to Medicare part D premiums effective 7/1/2019, in addition to Medicare part B premiums.

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