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# A BILL FOR AN ACT

RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
SPOUSAL MEDICARE PART B PREMIUM REIMBURSEMENT.

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

1           SECTION 1. The legislature finds that the State and  
2 counties reimburse retirees and their spouses for medicare part  
3 B premiums, including spouses of retirees hired after June 30,  
4 2001. Employers do not receive any benefit from the enrollment  
5 of self-only retiree spouses in medicare part B, since the  
6 employers do not contribute to the spouse's premiums. The  
7 Hawaii employer-union health benefits trust fund board of  
8 trustees estimates that eliminating medicare part B premium  
9 reimbursements for spouses of employees hired on or after  
10 July 1, 2023, will reduce the State's future annual required  
11 contributions by \$1.2 billion over a thirty-year period.  
12 Current retirees; vested, terminated employees; and current  
13 employees will not be impacted by this Act.

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



1           "§87A-23 Health benefits plan supplemental to medicare.

2 The board shall establish a health benefits plan, which takes  
3 into account benefits available to an employee-beneficiary and  
4 spouse under medicare, subject to the following conditions:

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

14           (2) The State, through the department of budget and  
15 finance, and the counties, through their respective  
16 departments of finance, shall pay to the fund a  
17 contribution equal to an amount not less than the  
18 medicare part B premium, for each of the following who  
19 are enrolled in the medicare part B medical insurance  
20 plan: (A) an employee-beneficiary who is a retired  
21 employee, (B) [~~an employee-beneficiary's spouse~~] a

1 spouse of an employee-beneficiary hired prior to  
2 July 1, 2023, while the employee-beneficiary is  
3 living, and (C) an employee-beneficiary's spouse,  
4 after the death of the employee-beneficiary, if the  
5 spouse qualifies as an employee-beneficiary. For  
6 purposes of this section, a "retired employee" means  
7 retired members of the employees' retirement system;  
8 county pension system; or a police, firefighters, or  
9 bandsmen pension system of the State or a county as  
10 set forth in chapter 88. If the amount reimbursed by  
11 the fund under this section is less than the actual  
12 cost of the medicare part B medical insurance plan due  
13 to an increase in the medicare part B medical  
14 insurance plan rate, the fund shall reimburse each  
15 employee-beneficiary and [~~employee-beneficiary's~~  
16 ~~spouse~~] spouse of an employee-beneficiary hired prior  
17 to July 1, 2023, for the cost increase within thirty  
18 days of the rate change. Each employee-beneficiary  
19 and employee-beneficiary's spouse who becomes entitled  
20 to reimbursement from the fund for medicare part B  
21 premiums after July 1, 2006, shall designate a



1 financial institution account into which the fund  
2 shall be authorized to deposit reimbursements. This  
3 method of payment may be waived by the fund if another  
4 method is determined to be more appropriate;

5 (3) The benefits available under this plan, when combined  
6 with benefits available under medicare or any other  
7 coverage or plan to which this plan is subordinate  
8 under the National Association of Insurance  
9 Commissioners' coordination of benefit rules, shall  
10 approximate the benefits that would be provided to a  
11 similarly situated employee-beneficiary not eligible  
12 for medicare;

13 (4) All employee-beneficiaries or dependent-beneficiaries  
14 who are eligible to enroll in the medicare part B  
15 medical insurance plan shall enroll in that plan as a  
16 condition of receiving contributions and participating  
17 in benefits plans under this chapter. This paragraph  
18 shall apply to retired employees, their spouses, and  
19 the surviving spouses of deceased retirees and  
20 employees killed in the performance of duty; and



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

6           SECTION 3. This Act does not affect rights and duties that  
7           matured, penalties that were incurred, and proceedings that were  
8           begun before its effective date.

9           SECTION 4. Statutory material to be repealed is bracketed  
10          and stricken. New statutory material is underscored.

11          SECTION 5. This Act shall take effect on January 1, 2050.



**Report Title:**

Hawaii Employer-Union Health Benefits Trust Fund; Spousal  
Medicare Part B Premium Reimbursement

**Description:**

Amends section 87A-23, Hawaii Revised Statutes, to exclude  
medicare reimbursement by the State and counties for the spouses  
of retired employees hired after 6/30/2023. Effective 1/1/2050.  
(SD2)

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not legislation or evidence of legislative intent.*

