

Senate Bill 2077, CD2: HHSC Maui Region Privatization Legislation

SB 2077, CD2

This bill provides possible voluntary severance benefits, special retirement and medical coverage benefits for HHSC Maui employees that are affected by Act 103, SLH 2015 (regarding the privatization of HHSC Maui facilities) and meet certain criteria.

EUTF Retiree Benefits

State and County employees that elect to retire may enroll into EUTF retiree health plans within 60 days of their retirement date. Retirees may elect medical, prescription drug, dental and vision plans for themselves and their eligible dependents. Health plan premium costs may be subsidized by contributions from their employer based on the retiree's date of hire and years of credited service.

Mandatory Medicare Part B Enrollment

HRS Chapter 87A-23(4) requires all Medicare eligible retirees and their dependents to enroll in Medicare Part B when they become eligible in order to enroll into EUTF retiree medical and/or prescription drug plans. Medicare eligible dependents must enroll in Medicare Part B when they become eligible, regardless of whether they are retired or actively employed, if enrolling in the EUTF retiree medical and/or prescription drug plan. Retirees and their eligible dependents must provide EUTF with a copy of their Medicare card within sixty (60) days of becoming eligible or enrolling in EUTF retiree medical and/or prescription drug plan.

Medicare Part B Premium Reimbursement

EUTF retiree benefits also include Medicare Part B premium reimbursement. Retirees and their eligible spouse or partner enrolled in Medicare Part B (not receiving Part B premium subsidy) may receive reimbursement for their monthly Medicare Part B premium cost. Reimbursements are made quarterly and include income related adjustments. Medicare Part B reimbursement is not dependent on a retiree's active employment hire date, years of service or enrollment into EUTF plans.

More information can be found in the EUTF Pre-Retiree Presentation available on our website eutf.hawaii.gov

Employer Premium Contribution

The amount of the employer premium contribution is determined by statute and is based on three factors:

- The date the employee was hired;
- The length of service taking into account breaks in service, and
- The Base Monthly Contribution (BMC) amount which determines the amount the employer will contribute towards your retiree coverage.

Certification of the retiree's service credit date and length of service is provided to you by the Employees' Retirement System (ERS) and determines what percentage of the Base Monthly Contribution will be available for a retiree to cover plan premiums. You will need to provide EUTF a copy of the ERS's pension statement.

The BMC amount is calculated annually and may change every January 1. The BMC is adjusted annually by the percentage increase or decrease in the Medicare Part B premium rate from the previous year.

The percentage determined by years of service and hire date is multiplied by the BMC for the year to determine the monthly employer contribution. The retiree pays the difference between the total monthly premium for the plans selected and the amount of the employer contribution set by the BMC calculation.

It is important to note that plan premiums usually increase each year and at some point some plan premium rates may exceed 100% of BMC. All retirees including those in the 100% category should review the plan premium rates and the BMC amount annually to determine if they will be required to contribute to the cost of coverage.

For employees who were hired on or after 07/01/2001, the monthly employer-sponsored contribution will be calculated on the Base Monthly Contribution for a self-rate only. These retirees may obtain coverage for eligible dependents but will be responsible for the difference in premium cost.

The Base Monthly Contribution is more fully described in Chapter 87A, Hawaii Revised Statutes (HRS).

Calculating Base Monthly Contribution

Below is the Base Monthly Contribution chart for HHSC employees affected by SB2077.

Employer Contribution Table for SB2077 Employees		
Years of Credited Service	If You Were Hired	
	On or Before 07/01/96 – 06/30/01	On or After 07/01/2001 Self Only**
Less than 9 years	0%	0%
9 yrs – less than 12	50%	50%
12 yrs – less than 20	75%	75%
20 yrs – or more	100%	100%

Employer Contribution Table for Regular Employees		
Years of Credited Service	If You Were Hired	
	On or Before 07/01/96 – 06/30/01	On or After 07/01/2001 Self Only**
Less than 10 years	0%	0%
10 yrs – less than 15	50%	50%
15 yrs – less than 25	75%	75%
25 yrs – or more	100%	100%

Surviving spouses of retirees step into the place of the retiree as long as they do not enter into another marriage or domestic partnership. For hires after 6/30/01, the surviving spouse receives ½ of the deceased retiree's benefit.

****If you were hired on or after 07/01/2001, the monthly employer-sponsored contribution will be calculated on the Base Monthly Contribution for a single rate ONLY. You may obtain coverage for your spouse, domestic partner, or civil union partner but you will be responsible for the premium cost.**

Health Plan Premium Options and Base Monthly Contribution

These are the current health plan premiums and Base Monthly Contribution amounts for both regular and SB2077 retirees based on Date of Hire.

EUTF Retiree Benefit Plan Premiums and BMC For Retirees whose date of hired was on or before 06/30/2001						
As of 01/01/2016	Kaiser	HMSA	UHC	100% BMC	75% BMC	50% BMC
Medicare (including medical, Rx, dental and vision)						
Self	\$460	\$458	\$300	\$609	\$457	\$305
2-Party	898	893	587	1,221	916	611
Family	1,312	1,305	NA	1,778	1,334	889

Non-Medicare (including medical, Rx, dental and vision)						
Self	\$730	\$710	NA	\$855	\$641	\$428
2-Party	1,474	1,383		1,724	1,293	862
Family	2,157	2,030		2,523	1,892	1,261

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Differences between the EUTF Active & Retiree Plans

Eligibility & Benefits	Active EUTF Plans	Retired EUTF Plans
Limiting Age : Medical & Prescription Drug	Dependents covered up to age 26 for medical and prescription drug regardless of student, marriage and working status.	Dependent covered to age 19 for medical, prescription drug, dental and vision. Dependents covered up to age 24 if unmarried and a full-time student
Limiting Age : Excepted Benefits (Dental & Vision)	Dependent covered to age 19 Dependents covered up to age 24 if unmarried and a full-time student	
Chiropractic Benefits	Included with all medical plan options	Not offered under the retiree plans
Prescription Drug Benefits	<p>Prescription drug benefit – lower copayments under the CVS Caremark retiree prescription drug plans.</p> <p>Generic copayments equal to or lower under the Kaiser active plans but brand and specialty copayments lower under the Kaiser retiree plans. Please see the Active and Retiree Reference Guides at eutf.hawaii.gov.</p>	
Dental Benefits	<p>Restorative (except crowns and gold restorations 60%), endodontics, periodontal (including maintenance), oral surgery and adjunctive general services are covered at 80%.</p> <p>Limited orthodontic benefit at 50%.</p>	<p>Restorative, endodontics, periodontal (including maintenance), oral surgery and adjunctive general services are covered at 60%.</p> <p>No orthodontic benefit.</p>
Medicare Part B	Eligible employees and dependents are not required to enroll in Medicare Part B.	<p>Eligible retirees and dependents (including disabled children) are required to enroll in Medicare Part B for coverage under the retiree medical and prescription drug plans. Retirees and their spouse or partner will be reimbursed for the Medicare Part B premiums.</p> <p>Dependent children enrolled in Medicare are not reimbursed for the Medicare Part B premiums.</p>

Frequently Asked Questions

1. Is sick leave factored into my years of credited service to determine my employer contribution towards EUTF plans?

No, sick leave is not included when determining your employer contribution.

2. If I retire and was hired after 06/30/2001, is my spouse or partner eligible for survivor benefits when I die?

Yes, a surviving spouse or partner is eligible for survivor benefits as long as they do not enter into another marriage or domestic partnership. For hires after 6/30/01, the surviving spouse receives ½ of the deceased retiree's benefit.

3. Do I need to enroll into EUTF plans as an active employee in order to qualify for EUTF retiree benefits when I retire?

No, enrollment in EUTF plans as an active employee is not required to be enrolled into EUTF retiree health benefits.

4. If I decide to seek employment with a company under the private sector, can I still keep my EUTF retiree health benefits?

Yes, employment outside the State or County will not affect your EUTF retiree health benefit.

5. Where can I get more information on EUTF retiree benefit plan options and enrollment information?

More information can be found in the EUTF Retiree Reference Guide available on our website at euft.hawaii.gov.