

# MAINE STATE LEGISLATURE

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DATE: 4-13-06

(Filing No. H-1028)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
122ND LEGISLATURE  
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 706, L.D. 1021, Bill, "An Act To Implement Task Force Recommendations Relating to Parity and Portability of Benefits for Law Enforcement Officers and Firefighters"

Amend the amendment by inserting after the title the following:

'Amend the bill by striking out the title and substituting the following:

'An Act To Create the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program and To Provide Portability of Benefits for Law Enforcement Officers and Firefighters'

Further amend the amendment in the first paragraph after the title in the first line (page 1, line 24 in amendment) by striking out the following: "Amend" and inserting in its place the following: 'Further amend'

Further amend the amendment by striking out all of Part A and inserting in its place the following:

PART A

Sec. A-1. 5 MRSA c. 13, sub-c. 3 is enacted to read:

SUBCHAPTER 3

HEALTH INSURANCE PROGRAM FOR RETIRED LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

§286-M. Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program

1. Program established. The Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health

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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 706, L.D. 1021

2 Insurance Program is established as a self-funding program to  
3 provide health insurance coverage to retired county and municipal  
4 law enforcement officers and retired municipal firefighters.

5 2. Definitions. As used in this subchapter, the following  
6 terms have the following meanings.

7 A. "County or municipal law enforcement officer" means a  
8 person who by virtue of employment by a county or municipal  
9 government in the State is vested by law with the power to  
10 make arrests for crimes or serve criminal process, whether  
11 that power extends to all crimes or is limited to specific  
12 crimes. "County or municipal law enforcement officer" does  
13 not include a state or federal law enforcement officer, an  
14 attorney prosecuting for a county or municipal government or  
15 a reserve officer.

16 B. "Dependent" means a spouse, an unmarried child under 19  
17 years of age, a child who is a student under 23 years of age  
18 and financially dependent upon the enrollee, a child of any  
19 age who is disabled and dependent upon the enrollee or a  
20 domestic partner as defined in Title 24-A, section 2741-A.

21 C. "Division" means the Department of Administrative and  
22 Financial Services, Division of State Employee Health  
23 Insurance.

24 D. "Enrollee" means a county or municipal law enforcement  
25 officer or municipal firefighter who has enrolled in the  
26 program.

27 E. "Fund" means the Firefighters and Law Enforcement  
28 Officers Health Insurance Program Fund established in  
29 subsection 7.

30 F. "Group health plan" or "group health insurance plan"  
31 means any employer-sponsored group health insurance plan,  
32 whether self-insured or fully insured, that provides  
33 coverage to eligible employees, retirees and their  
34 dependents.

35 G. "Majority multiple-employer welfare arrangement" means  
36 the multiple-employer welfare arrangement, as defined in  
37 Title 24-A, section 6601, subsection 5, in which the  
38 majority of state municipal government employees are  
39 enrolled as of the effective date of this section.

40 H. "Municipal firefighter" means a person employed by a  
41 municipal fire department with the primary responsibility of  
42 aiding in the extinguishment of fires and includes a member  
43 of the fire department.

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2 of emergency medical services line personnel but does not  
3 include a member of a volunteer firefighter association.  
4 For the purposes of this paragraph, "emergency medical  
5 services line personnel" means persons who are career  
6 employees employed full-time by a public sector agency or  
7 employer and whose primary responsibility is to provide  
8 emergency medical services.

9  
10 I. "Program" means the Retired County and Municipal Law  
11 Enforcement Officers and Municipal Firefighters Health  
12 Insurance Program established in this section.

13  
14 3. Eligibility for program coverage. A person must make  
15 contributions pursuant to subsection 8 for 60 months in order to  
16 be eligible for coverage under the program. In addition, a  
17 person must satisfy the eligibility criteria specified in this  
18 subsection as follows:

19 A. The person must:

20  
21 (1) Be a retired county or municipal law enforcement  
22 officer or a retired municipal firefighter;

23  
24 (2) Have, while actively employed as a county or  
25 municipal law enforcement officer or municipal  
26 firefighter, participated in the person's employer's  
27 health insurance plan or other fully-insured health  
28 insurance plan; and

29 (3) Receive or be eligible to receive:

30  
31 (a) If retired from at least 25 years of service  
32 in a position as a county or municipal law  
33 enforcement officer or a municipal firefighter, a  
34 retirement benefit from the Maine State Retirement  
35 System or a defined contribution retirement plan  
36 other than the United States Social Security Act;  
37 or

38  
39 (b) If retired from less than 25 years of service  
40 in a position as a county or municipal law  
41 enforcement officer or a municipal firefighter, a  
42 retirement benefit from the Maine State Retirement  
43 System or a defined contribution retirement plan  
44 other than the United States Social Security Act,  
45 as long as the benefit provided is at least 50% of  
46 average final compensation, with no reduction for  
47 early retirement and with or without a  
48 cost-of-living adjustment; or  
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B. The person must be a dependent of a person meeting the criteria of paragraph A.

4. Program administration. The program is administered by the division. The division shall:

A. Enter into administrative arrangements with fully insured health insurance product vendors to implement the purposes of this section;

B. Remit authorized premium subsidy payments for enrolled eligible persons and enrolled dependents to any fully insured group health insurance plans on a periodic basis, as established by agreements with the providers of those plans. The dollar value of the subsidy payment may vary with the premium cost of the benefit plan in which the enrollee participates;

C. Make and analyze actuarial assessments of the program to determine the annual enrollee contribution and premium subsidy levels necessary to maintain the program as self-funding; and

D. Adopt rules to implement the purposes of this section, including the determination of the program subsidy for enrollees pursuant to subsection 6. Rules adopted under this subsection are routine technical rules as defined in chapter 375, subchapter 2-A.

5. Enrollment. All county and municipal law enforcement officers and municipal firefighters shall enroll in the program. Notwithstanding the date of enrollment, insurance coverage is not effective until the date of retirement or January 1, 2012, whichever occurs later. Persons shall enroll themselves, and may enroll their spouses and their dependents, in the program during the following time periods:

A. When the effective date of the initial hire of the person is on or before November 1, 2006, the person shall enroll in the program before January 1, 2007, subject to the enrollment and eligibility requirements of the applicable group health plan; or

B. When the effective date of the initial hire of the person is after November 1, 2006, the person shall enroll in the program no later than 60 days following the effective date of the initial hire, subject to the enrollment and eligibility requirements of the applicable group health plan.

2 6. Premiums; subsidy. Premiums for the program and the  
3 premium subsidy are subject to the provisions of this  
4 subsection. Premium subsidies must be funded from employee  
5 contributions pursuant to subsection 8. Premium subsidies are  
6 not provided for supplemental health insurance coverage.

7  
8 A. An eligible retired enrollee participating in the  
9 majority multiple-employer welfare arrangement is  
10 responsible for the premium payment associated with the cost  
11 of the majority multiple-employer welfare arrangement  
12 benefit option in which the eligible retired enrollee is  
13 participating, to the extent such premium obligations exist  
14 following the application of any premium subsidy authorized  
15 by law. An eligible retired enrollee who fails to remit the  
16 premium payments as established and required by the majority  
17 multiple-employer welfare arrangement must be disenrolled  
18 from the program. Beginning January 1, 2012, the division  
19 shall use the fund established in subsection 7 to provide a  
20 premium subsidy for eligible retired enrollees in the form  
21 of a direct payment to the majority multiple-employer  
22 welfare arrangement for each eligible retired enrollee. The  
23 level of the subsidy may not exceed 45% of the individual  
24 premium cost for the eligible retired enrollee and varies  
25 among eligible retired enrollees depending upon the terms of  
26 the majority multiple-employer welfare arrangement coverage  
27 plan in which each eligible retired enrollee is  
28 participating. Eligible retired enrollees are responsible  
29 for the balance of the applicable individual premium, as  
30 well as the total cost of the premium for any applicable  
31 dependent coverage, and shall make payments directly to the  
32 majority multiple-employer welfare arrangement.

33  
34 B. Enrollees retiring from counties or municipalities that  
35 do not participate in the majority multiple-employer welfare  
36 arrangement but who are eligible for and elect to  
37 participate in that county's or municipality's fully insured  
38 health benefits plan are responsible for the premium payment  
39 associated with the cost of that plan, to the extent such  
40 premium obligations exist following the application of any  
41 premium subsidy authorized by law. An eligible retired  
42 enrollee who fails to remit the premium payments as  
43 established and required by the fully insured plan must be  
44 disenrolled from the program. Beginning January 1, 2012,  
45 the division shall use the fund established in subsection 7  
46 to provide a premium subsidy for eligible retired enrollees  
47 participating in fully insured health benefits plans  
48 pursuant to this subsection. This subsidy must be made in  
49 the form of a direct payment to the eligible retired  
50 enrollee's health benefits plan and may not exceed 45% of  
the individual premium cost for the eligible retired

2 enrollee or a dollar amount equivalent to the highest  
3 premium subsidy provided in accordance with paragraph A,  
4 whichever is less. An eligible retired enrollee is  
5 responsible for payment of 100% of coverage for a spouse or  
6 a dependent in the program in addition to that portion of  
7 the eligible retired enrollee's individual premium cost not  
8 covered by a premium subsidy.

9  
10 7. Fund established. The Firefighters and Law Enforcement  
11 Officers Health Insurance Program Fund is established as a  
12 nonlapsing, dedicated account administered by the division.  
13 Active employee contributions pursuant to subsection 8, premium  
14 dividends accruing to the State, return of premiums resulting  
15 from risk reduction programs and any other receipts must be  
16 deposited into the fund to be used for the purposes of the  
17 program. The fund is a pooled account. Individual law  
18 enforcement officers and firefighters do not have a right to  
19 money deposited in the fund except to the extent premium  
20 subsidies are available to program enrollees.

21  
22 8. Employee contributions to the fund. The contributions of  
23 enrollees to the fund are governed by this subsection.

24 A. Beginning January 1, 2007, each enrollee shall  
25 contribute 2% of that enrollee's gross wages to the fund.

26  
27 B. The employer of an enrollee shall remit on a monthly  
28 basis that enrollee's contribution to the fund.

29  
30 9. Coverage under the program. The benefits, copayments  
31 and deductibles under the program are determined by the fully  
32 insured health benefits plan in which the retired enrollee  
33 participates. Pursuant to the rules of the applicable plan, a  
34 retired enrollee is required to participate in the same health  
35 insurance plan as the active employees of the unit of government  
36 from which the enrolled person has retired. Participation in any  
37 qualified health insurance plan is subject to the rules of that  
38 plan.

39  
40 10. Volunteer and call firefighters and reserve law  
41 enforcement officers. A member of a volunteer or call  
42 firefighters' association in this State, as well as a person  
43 serving as a county or municipal law enforcement officer on a  
44 reserve basis, is eligible to participate in the program of  
45 health benefits coverage established pursuant to the eligibility  
46 criteria and other provisions set forth in Title 24-A, chapter 87  
47 if that person meets the eligibility requirements under that  
48 chapter.

11. Report. The division shall submit a report to the  
2 joint standing committee of the Legislature having jurisdiction  
3 over insurance and financial services matters in the Second  
4 Regular Session of the 124th Legislature, and biennially  
5 thereafter, on the status of the program, program participation  
6 and the financing of the program, including the status of the  
7 fund, expenditures from the fund, current and projected premium  
8 costs to the program and to program enrollees and a projection of  
9 funding needs for the next 5 years. The report must provide  
10 options, based on projections of future need, for changing the  
11 method of funding the premium subsidy and employee contributions.'

## SUMMARY

16 This amendment strikes Part A of the bill as amended by  
17 Committee Amendment "B" and replaces it with a new Part A that  
18 creates the Retired County and Municipal Law Enforcement Officers  
19 and Municipal Firefighters Health Insurance Program, a  
20 self-funding program that provides for health insurance coverage  
21 when the retiree is eligible for a retirement benefit under  
22 certain conditions and participated in the county or municipal  
23 health plan while employed. The amendment also provides for a  
24 premium subsidy, beginning January 1, 2012, not to exceed 45% of  
25 the cost of insurance premiums, or dollar equivalents, for each  
26 eligible retiree. The premium subsidy is funded from employee  
27 contributions. Health insurance coverage under the program is  
28 not effective until January 1, 2012 or the date of retirement,  
29 whichever occurs later. Persons whose date of initial hire is on  
30 or before November 1, 2006 must enroll in the plan before January  
31 1, 2007. Persons whose date of initial hire is after November 1,  
32 2006 must enroll in the plan no later than 60 days following the  
33 effective date of initial hire. Effective January 1, 2007, each  
34 county and municipal law enforcement officer and each municipal  
35 firefighter must contribute 2% of gross wages to a fund to pay  
36 for the costs of the program. An enrollee must make  
37 contributions to the fund for 60 months in order to be eligible  
38 for coverage under the program. Members of volunteer or call  
39 firefighters' associations in this State, as well as persons  
40 serving as county or municipal law enforcement personnel on a  
41 reserve basis, are eligible to participate in the program of  
42 health benefits coverage established pursuant to the eligibility



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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 706, L.D.  
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2 criteria and other provisions set forth in the Maine Revised  
Statutes, Title 24-A, chapter 87 as long as they meet the  
4 eligibility requirements under that chapter.

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SPONSORED BY:   
(Representative HALL)

TOWN: Holden

FISCAL NOTE REQUIRED  
(See Attached)

# HOUSE AMENDMENT

**122nd MAINE LEGISLATURE****LD 1021****LR 0263(13)****An Act To Implement Task Force Recommendations Relating to Parity and Portability of Benefits for Law Enforcement Officers and Firefighters****Fiscal Note for House Amendment "A" to Committee Amendment "B"****Sponsor: Rep. Hall****Fiscal Note Required: Yes****Fiscal Note**

	<b>2005-06</b>	<b>2006-07</b>	<b>Projections 2007-08</b>	<b>Projections 2008-09</b>
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	(\$3,413,255)	(\$3,810,148)
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$0	(\$3,413,255)	(\$3,810,148)
Other Funds	\$0	(\$81,000)	(\$109,392)	(\$111,894)
<b>Revenue</b>				
Other Funds	\$0	\$282,750	\$592,644	\$621,091

**Fiscal Detail and Notes**

The numbers above represent the incremental differences between the majority and minority reports. As amended by the minority report, the bill requires participants in the newly created Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program to make contributions for 5 years in order to be eligible for coverage under the program. The amendment establishes the contribution, effective January 1, 2007, equal to 2.0% of gross wages. For the purposes of this fiscal note, it is assumed that all of the estimated 2,900 active law enforcement officers and firefighters would be required to participate, paying the 2.0% assessment on an average salary of \$30,000. The amendment's premium subsidy payments toward the cost of health insurance for eligible, pre-Medicare, retired law enforcement officers and firefighters would not take effect until January 1, 2012, and would be self-funded by employee contributions made to the program.